

Monday 5th March 2017

RESPIRI CEO SHAREHOLDER AND INVESTOR UPDATE

Information for the 9:15am CEO shareholder and investor update is detailed below:

Telephone conference details:

Dial-in: 1800 062 923

Passcode: 671157359962

Link for the webcast presentation:

<https://telstra.webex.com/telstra/j.php?MTID=m886a316d0596503ac1bd1f2232338203>

For those that cannot join the webcast we have made the full presentation available as an attachment to this ASX release.

Jenni Lightowlers
Company Secretary

Ph: 1800 476 632

About Respi

Respi Limited (ASX:RSH) is a health technology company leading the way in the development of innovative devices and mobile health apps to improve the management of chronic and costly respiratory disorders such as asthma and COPD. Building on decades of experience in the research and development of cutting-edge clinical products for hospitals, the company has first-mover advantage in providing broad access to its proprietary acoustic based clinical solutions for remote monitoring with the development of a suite of over-the-counter connected devices.

Health authorities universally agree that mHealth solutions can transform asthma care and health conscious consumers are rapidly embracing patient self-management with the aid of smartphones, the growth engine for Respi's flagship product, AirSonea®. With the addition of new products, including a connected device for nocturnal monitoring in development, Respi has a captive market, globally, of parents and carers of young children who cannot perform lung function tests. Respi products have been cleared for use by the US Food and Drug Administration, the European Union CE, the Australian TGA and the commencement of an approval process for Asian markets has begun.

Respi is especially proud of its recent de-risking of milestones. The substantial achievements over the past 18 months place Respi in a lower risk position and on the cusp of commercialisation compared to the vast majority of medical device and biotech companies.

RESPIRI LIMITED

100 Day Update

Mario Gattino

CEO & Director

5 March 2018



Forward Looking Statements

Certain statements made in this announcement are forward-looking statements. These forward looking statements are not historical facts but rather are based on Respiro's current expectations, estimates and projections about the industry in which Respiro operates, and its beliefs and assumptions. Words such as "anticipates," "expects," "intends," "plans," "believes," "seeks," "estimates," "guidance" and similar expressions are intended to identify forward-looking statements and should be considered an at-risk statement. Such statements are subject to certain risks and uncertainties, particularly those risks or uncertainties inherent in the process of developing technology and in the endeavour of building a business around such products and services. These statements are not guarantees of future performance and are subject to known and unknown risks, uncertainties and other factors, some of which are beyond the control of Respiro, are difficult to predict and could cause actual results to differ materially from those expressed or forecasted in the forward-looking statements. Respiro cautions shareholders and prospective shareholders not to place undue reliance on these forward-looking statements, which reflect the view of Respiro only as of the date of this release. The forward-looking statements made in this announcement relate only to events as of the date on which the statements are made. Respiro will not undertake any obligation to release publicly any revisions or updates to these forward-looking statements to reflect events, circumstances or unanticipated events occurring after the date of this announcement except as required by law or by any appropriate regulatory authority.

100 DAY ASSESSMENT

Filters used to assess business case for new med-tech products

1. Operating Environment and Macro Trends in industry

- Healthcare Delivery & Connected Medical Technology, Burden of asthma on society
- Addressable market

2. Innovation of the product / technology

- Disruptive vs Incremental innovation
- Competition
- Strength of IP
- Regulatory approvals

3. Organizational Capability to Execute & Deliver

- Skill set of the people, resources, processes etc...
- Deliver Plan
- Technology monetisation potential
- Partnerships & Collaboration

1. Operating Environment and Macro Trends in Industry

Healthcare Delivery & Connected Medical Technology
Burden of asthma on society
Addressable market

IPHONE WAS THE CATALYST A DECADE AGO: RESPIRI AT THE FOREFRONT... things moving fast

The explosive field of digital health



First Wave:

Fitness & Wellness Devices
(Fitbit launched May 2013,
Apple Watch April 2015)

Rapid consumer adoption of wearable sensors and smart watches which produce data related to physical activity, although of limited clinical value



Second Wave:

Digital Health Platforms for Complex Diseases

Includes the monitoring of symptoms and behaviour in chronic disease management, such as wheeze detection and measurement in asthma, glucose monitoring for diabetics



Third Wave:

Big Data for Health & Hospital Systems

Respiri products can partner with health systems, medical and data professionals to enable the capture of asthma data.

EHR /EMR is key to fulfilling the promise of Big Data

RESPIRI AT THE FOREFRONT

“We're all essentially surgically connected to our smartphones, and we're still in the early stages of realising their medical potential.”

Dr. Eric Topol, Director, Scripps Translational Science Institute
#1 Most Influential Physician Executive in the USA, Modern
Healthcare National Poll

The continued shift toward accountable care will encourage the adoption of remote patient monitors for chronic diseases like asthma, diabetes and cardiovascular illness, with the goal of keeping patients out of the hospital, lowering costs and improving care.



HUGE GLOBAL ASTHMA MARKET

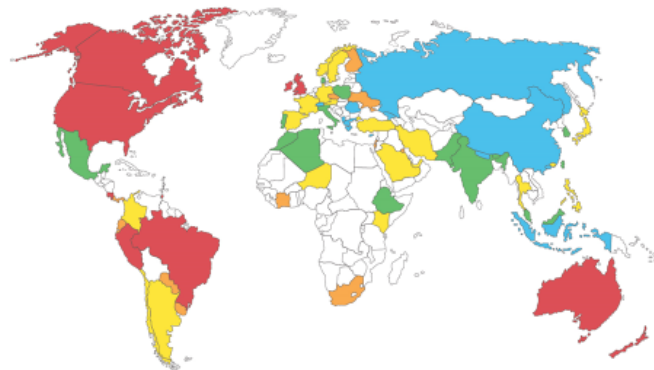
COMPARE TO DIABETES 387M (2014) PROJECTED TO 471M (2035)

- **334 million people** have asthma (**400 million** by 2025)
- **14% of the world's children** experience asthma symptoms
- **8.6% of young adults** experience asthma symptoms
- **Approximately 250,000 people** die prematurely each year from asthma. Almost all these deaths are avoidable



World Map of the Prevalance of Clinical Asthma

Source: Global Burden of Asthma; GINA



BURDEN OF DISEASE ON HEALTHCARE & SOCIETY

“The direct and indirect costs of asthma to societies are substantial. Recent calculations estimate direct costs within EU to be near €20 billion, indirect costs at €14 billion and a monetized value of DALYs (Disability Adjusted Life Years) lost €38 billion, which totals €72 billion annually ”

"Asthma places a significant economic burden on the United States, with a total cost of asthma, including costs incurred by absenteeism and mortality, of \$81.9 billion in 2013”



ASTHMA POORLY CONTROLLED

New tools are needed to help patients as asthma is poorly controlled

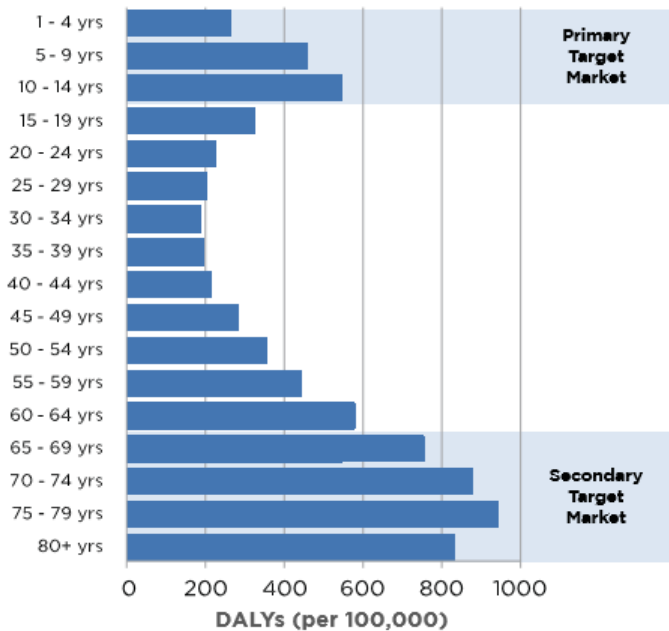
- **Nearly half of adults with asthma** have poor asthma control
- **Medication adherence is poor** & asthma action plans are not regularly used
- In Australia, **only 11% take medication as prescribed** on a daily basis
- **Every 10 seconds**, someone in the UK has a life-threatening asthma attack
- **49% of the people who had died** in the UK from asthma in 2012 were being treated for mild or moderate asthma when it is likely that many of these patients had poorly controlled, undertreated asthma

The Federal Minister for Health, the Hon. Greg Hunt MP, today launched the new National Asthma Strategy which updates the national response to this chronic disease affecting more than 2.5 million Australians. (Jan 31, 2018)

“Supporting people with asthma to increase knowledge, confidence and skills for effective self-management practices will empower them to play an active role in their own health care, better control their condition and lead full and active lives.”

Asthma UK survey found that 58% of people who reported seeking help for their asthma did not have a **written asthma action plan**

TARGET MARKET | THE BURNING PLATFORM



- Young children cannot use lung function tests and peak flow meters, and their parents and carers have difficulty communicating wheezing episodes to their physician.
- This represents some of the most costly patients to system

Health Authorities / Insurers are highly motivated to address this now

Burden of disease, measured by disability
Adjusted life years (DALYs) per 100,000 population
Attributed to asthma by age group and sex.
Global Population 2010
Global Asthma Report 2014

“mHealth solutions are amongst the highest priority for research to optimise asthma management and prevent asthma attacks” - European Asthma Research and Innovation Partnership

NEED FOR A COMPANION DEVICE

Respiri technology detects and measures a major symptom of asthma in children and delivers a digital platform to provide parents/carers and children with information and skills

Diagnosing asthma in children*

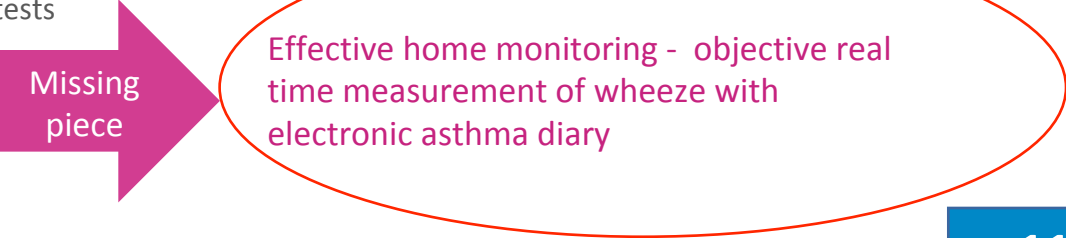
- There is no single reliable test 'gold standard' and there are no standardized diagnostic criteria for asthma
- Episodic respiratory symptoms that suggest asthma include: wheezing, difficulty breathing, feeling of tightness in chest, coughing
- It can be difficult to diagnose asthma in children 0 – 6 as they cannot perform spirometry lung function tests

*Asthmahandbook.org.au/diagnosis/children
Asthmahandbook.org.au/management/children

Managing asthma in children*

- Written asthma action plan
- Assess and avoid triggers
- Correct use of medicines including inhaler technique
- Manage flare-ups when they occur
- Monitor pattern of symptoms (including frequency of episodes and pattern of symptoms between episodes)

Missing
piece



Effective home monitoring - objective real time measurement of wheeze with electronic asthma diary

2. Innovation of the Product/Technology

Disruptive vs Incremental Innovation

Competition

Strength of IP

Regulatory approvals

COMPETITIVE LANDSCAPE

FEW PLAYERS | LIMITED INNOVATION COMPARED TO GLUCOSE MONITORS & HEART / BP MONITORS

Asthma home monitoring | No direct competitors

Asthma Wheeze Monitor

No objective wheeze measurement devices on the market suitable for children who cannot perform lung function tests*
(Disruptive – acoustic monitoring)

Lung Function Tests

Cohero Health Spirometry, Wing Spirometry, Peak Flow
Manufacturers including digital (difficult to use, patient interpretation & data unreliable)

Smart Inhalers / Compliance

Adherium, Propeller Health, Gecko Health Innovations (TEVA Pharmaceuticals), Cohero Health, 3M
(probably most activity, lack of compliance a major issue)

*as far as the company knows

Fevipirant (Novartis) – first new drug treatment in asthma for 20 years
Biological agent, reduces the severity (not a cure), most likely reserved for severe asthma patients

TABLE 10 LEADING CONNECTED BLOOD GLUCOSE METERS AVAILABLE IN THE MARKET (2015)

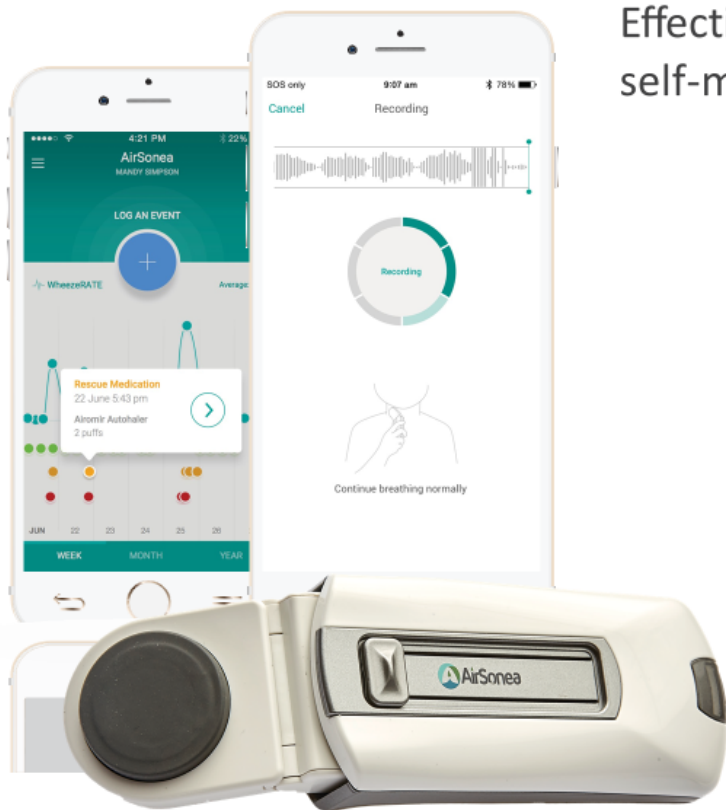
Company Name	Product
Sanofi (France)	<ul style="list-style-type: none"> • iBGStar Blood Glucose Monitoring System
Bayer Healthcare AG (Germany)	<ul style="list-style-type: none"> • Contour USB • Contour Next USB
Agamatrix (U.S.)	<ul style="list-style-type: none"> • BGStar • MyStar Extra
Roche Diagnostics (U.S.)	<ul style="list-style-type: none"> • ACCU-CHEK Aviva Connect meter • ACCU-CHEK Aviva Plus • ACCU-CHEK Smart View
LabStyle Innovations	<ul style="list-style-type: none"> • Dario Blood Glucose Management System
Philosys Co., Ltd. (Korea)	<ul style="list-style-type: none"> • Gmat SMART
Telcare, Inc. (U.S.)	<ul style="list-style-type: none"> • Telecare
iHealth lab Inc. (U.S.)	<ul style="list-style-type: none"> • iHealth Wireless Smart Gluco-Monitoring System • iHealth Align
LifeScan Inc. division of Johnson & Johnson (U.S.)	<ul style="list-style-type: none"> • OneTouch Verio Sync Meter • OneTouch Verio • OneTouch Verio IQ
Dexcom, Inc.(U.S.)	<ul style="list-style-type: none"> • Dexcom G5 Mobile Continuous Glucose Monitoring (CGM) System • Dexcom G4 PLATINUM System
Beurer GmbH (Germany)	<ul style="list-style-type: none"> • GL 50 evo
Visiomed Group (Spain)	<ul style="list-style-type: none"> • MyTensio BW-BA1

Note: The list is non-exhaustive and indicates only some of the products widely adopted by consumers

By comparison competition in monitoring diabetes with connected Blood Glucose Meters is fierce

HOME MONITORING PRODUCTS

Effective tools to improve patient self-management of asthma are critical.



“The development of robust acoustic devices for use at the bedside – as exemplified by electronic stethoscopes paired with small convenient recorders and perhaps in the form of a smartphone with an app - may provide the long-awaited portable objective means to record, analyse, and store lung sounds just as any other clinical information is measured and stored. This development will make sound tracking possible, further enhancing the usefulness of auscultation.”

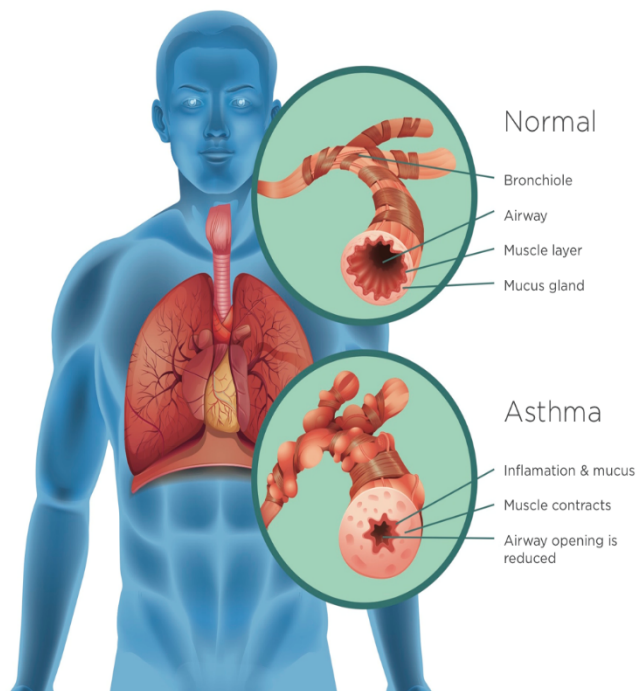
“Fundamentals of Lung Auscultation” by Abraham Bohadana, M.D. Gabriel Izbicki, M.D. & Steve S Kraman M.D.

**New England Journal of Medicine 370;9 NEJM:ORG
FEBRUARY 20, 2014**

WHEEZE IS A MAJOR SYMPTOM OF ASTHMA

- RESPIRI HAS FIRST MOVER ADVANTAGE

Airflow Limitation



The main symptoms of asthma:

- Wheezing
- Shortness of breath
- A tight chest
- Coughing

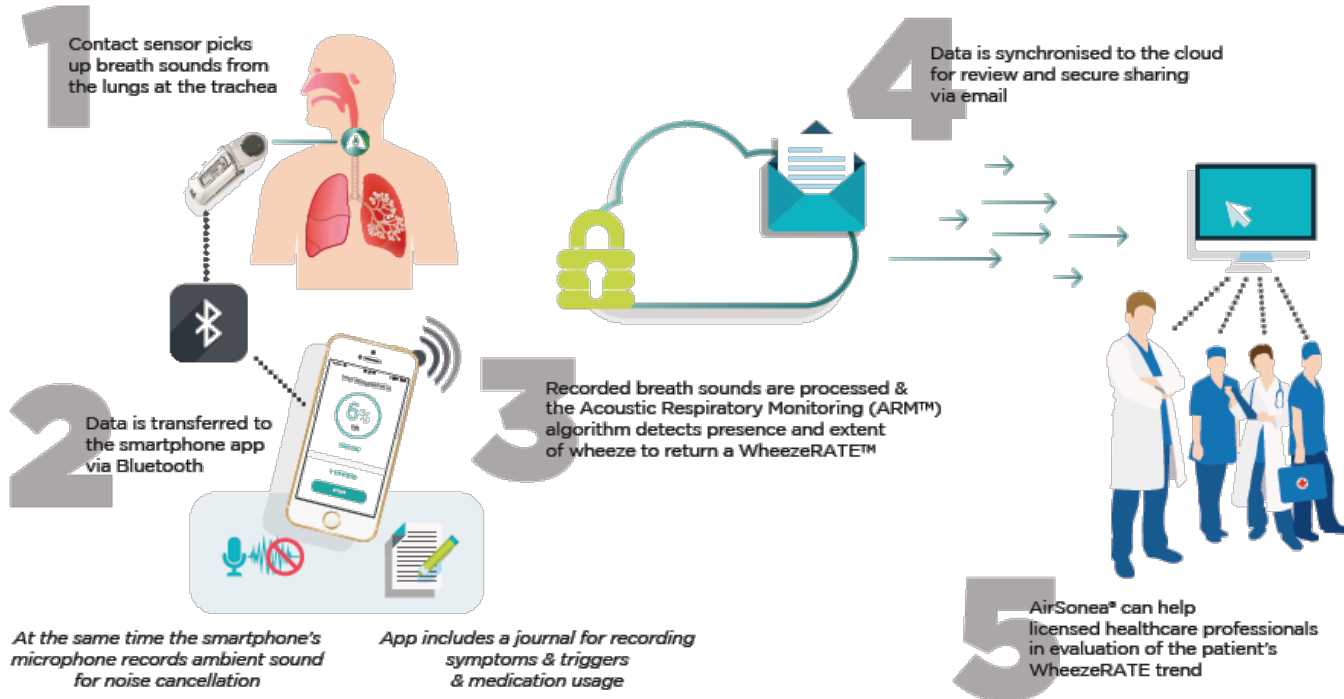
When airways become inflamed, flow pressure changes during respiration causing the airway wall to flutter. This flutter results in acoustic energy, or wheeze. The flutter or wheeze is a manifestation of airway flow limitation.

Respiri's new Breath Sensor & ARM™ technology provides the capabilities of a digital stethoscope with objective measurements in the hands of patients and carers to measure wheeze!

"Wheezing has earned its place as number one of the adventitious lung sounds. It warns patients, parents, and caregivers of potentially serious respiratory problems"

*Hans Pasterkamp MD, FRCPC
University of Manitoba, Winnipeg*

AIRSONEA | HOW IT WORKS



INTELLECTUAL PROPERTY – MULTIFACETED

RESPIRI LIMITED

Copyright
(software coding)

Trade Marks
(branding)

Proprietary Information / Trade Secrets
(algorithms, know-how, data)

Patents
(algorithms, methods of diagnosis, related technologies)



AirSonea® - lead product

- Over the counter (class IIA) device for home use
- Detects, quantifies, and measures wheezing using ARM™ Algorithm
- Bluetooth connectivity to mobile devices
- Results can be uploaded to patient's doctor

INTELLECTUAL PROPERTY

Acoustic Respiratory Monitoring (ARM™) monitors extent of wheeze to return a WheezeRATE.

- Used in AirSonea, Wheezometer, PulmoTrack and WHolter.
- Improvements since 1996 for accuracy / testing / moving to new technologies and devices.

**20 YEARS AND \$30 M ACCUMULATED SPEND
ON ACOUSTIC RESPIRATORY MONITORING
R&D UNDERPINS OUR IP & TRADE SECRETS**



CONFIDENCE IN REGULATORY APPROVALS FOR OUR NEW PRODUCTS

- PRECEDENT OF CE, FDA & TGA APPROVALS ACHIEVED IN THE PAST

Lowering risk for investors & commercialisation partners

The company's portfolio of computerized wheeze detection products and apps

- Airsonea®
- Wholter™
- SonoSentry™
- WheezoMeter™
- PulmoTrack™

Have been approved by the Australian TGA and carry the European Union's CE mark. All except AirSonea have US FDA clearance.



3. Organizational Capability to Execute and Deliver

Skill set of the people, resources, processes etc.

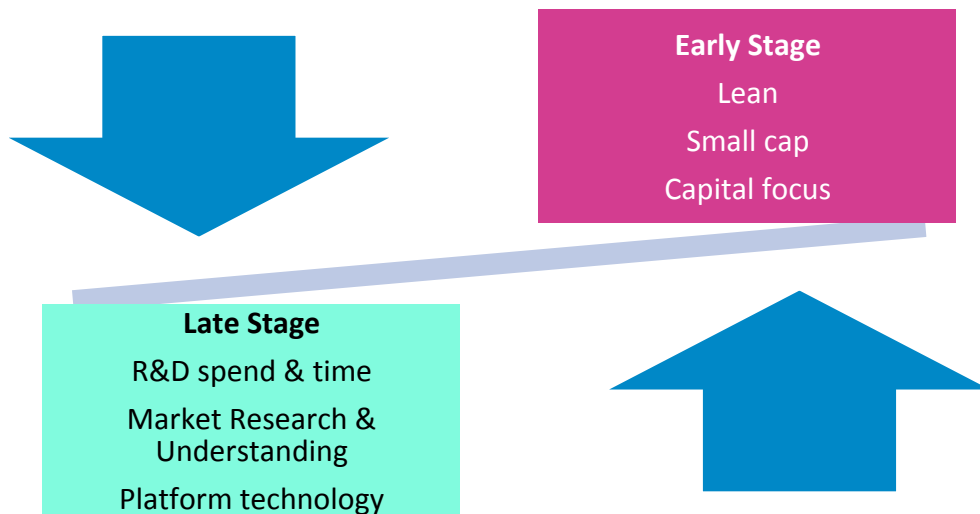
Deliver Plan

Technology monetisation potential

Partnerships and collaboration

RESPIRI | NOT YOUR TYPICAL SMALL CAP

Hybrid of early stage characteristics combined with late stage development & commercialisation capabilities



WHAT IS RESPIRI IN 2018?

BUSINESS MODEL

- Relatively small, high talent in-house team
- Supported by best available third parties (regulatory, quality, legal, accounting, auditing, tax, communications, investor relations etc...)
- Handpicked world class hardware (Grey Innovation) and software (Two Bulls) developers with global footprint developing portfolio
- Strong, committed Board, chaired by highly experienced and accomplished individual with a broad, diverse public company background ensuring Governance & Compliance as a ASX listed entity
- Institutional knowledge having commercialised and sold clinical products to world leading hospitals in the past (Stopped sales but continued servicing)
- Strategic pivot to focus on mobile health consumer products

TECHNOLOGY UPGRADE 2013-2018



2013 AIRSONEA 1 AUSTRALIAN TEST MARKET

- Robust software technology infrastructure & better app
- Noise cancellation solution
- Firmware update; programming of embedded system
- Clinical evaluation



2016/17 AIRSONEA 2 UNIVERSITY OF CHICAGO RESEARCH STUDY

Clinically proven to measure wheeze.,

Respiri Identified need for:

- Better ergonomics to cater for varying anatomies
- Improved noise cancellation properties
- More robust design



2018 NEXT GENERATION BREATH SENSOR MARKET READY

- Superior ergonomics
- Best in class components
- Robust design
- Reliable performance

MARKET RESEARCH: EXTENSIVE STUDIES IN US & AUSTRALIA

STRONG DEMAND FOR RESPIRI SELF-MANAGEMENT SOLUTION

KEY FINDINGS | PARENTS OF CHILDREN WITH ASTHMA

- Parents are constantly worrying about their child's health and wondering when the next attack will be
- They admit they could be more diligent and none feel like they are in complete control
- 'Asthma guilt' is pervasive. A function of the pressures of day-to-day life overwhelming the best of intentions coupled with a more 'reactive' approach to an asthma attack rather than a 'proactive' management
- Frustrated by difficulty in articulating severity of symptoms to doctors

Intent to purchase the AirSonea Wheeze Monitor ranged from 60% to 90% in the various studies. Physicians noted poor compliance and reliability with existing solutions

KEY FINDINGS | MEDICAL PROFESSIONALS

- 80% of GPs and 62% of paediatricians in the study would recommend Respi's Wheeze Monitoring solution to their asthma patients. Further scientific data on the technology would increase the percentage of these recommendations
- In general, the product was perceived as an important management tool for patients who would benefit from more frequent home monitoring, characterized as 75% of patients with unstable asthma and half of all patients with stable asthma

Intent is to conduct 1-2 Observational studies compared to *Basic Care alone* in key markets as per stated milestones

WHY THE UK FOR EARLY LAUNCH?

Burning Platform appears hottest

Asthma UK released result of a 2017 survey (7,611 people) that concluded "Nearly two-thirds of people with asthma are still not receiving the **basic level of care** despite claims it could prevent two out of three asthma deaths a year."

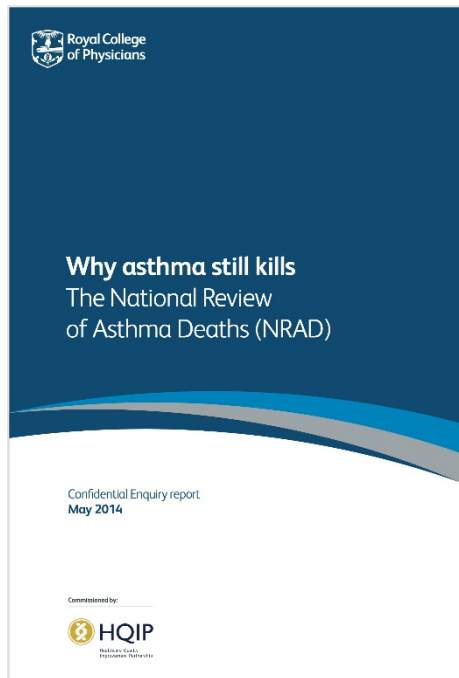
"The study revealed a frustrating lack of progress in asthma care, following similar findings last year. Lack of basic care can be fatal with NHS data from the past 4 years showing, on average, someone is admitted to hospital for an asthma attack in the UK every 8 minutes."

There are about 5.4 million people with asthma in the UK. In 2015, 1,468 people died from the condition – the highest number for more than a decade.

Definition of basic care from Asthma UK:

- Annual Asthma Review
- Written Asthma Action Plan
- Inhaler technique check

LONG-STANDING RELATIONSHIPS IN UK



Dr Mark Levy was the clinical lead for **The National Review of Asthma Deaths (NRAD)**.

Together with Respiri's, consultant Professor Simon Godfrey and other leaders in respiratory medicine, Dr Levy published a paper validating computerised wheeze detection in 2004.

Provide support to conduct observational community studies demonstrating value of AirSonea technology vs Basic Care for asthmatics & carers

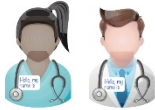


London's ambitions for asthma care for children and young people

Each organisation (primary and community care, acute care, pharmacy, schools) will have a clear named lead who will be responsible and accountable for asthma (which includes children and young people) and the delivery of the following:

As a child with asthma:

PROACTIVE CARE



I should have access to a **named set of professionals working in a network**.



I will be **supported to manage my own asthma** so I am able to lead a life free from symptoms.



I will grow up in an **environment that has clean air that is smoke free**.



I will have access to an **environment that is rich with opportunities to exercise**.

ACCESSIBLE CARE



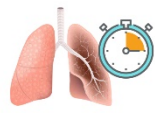
I will have my **diagnosis** and severity of wheeze established quickly.



I will have **prompt access to my inhaler device** and other medicines and asthma care and advice everywhere I go.



I will have access to **immediate medical care, advice and medicines** in an emergency.



I will have access to **high quality, evidence based care** whenever I need it.

CO-ORDINATED CARE



My carer and I will know how to manage my asthma with the help of a written **asthma management plan**.



I will have a **regular structured review**



I will have a **package of care** which meets all my needs including my educational health and well-being.



I will expect all professionals involved in my care will **share clinical information** to ensure my care is seamless.



I will move safely into **adult services** when I grow up.

Respiri, for better asthma care.

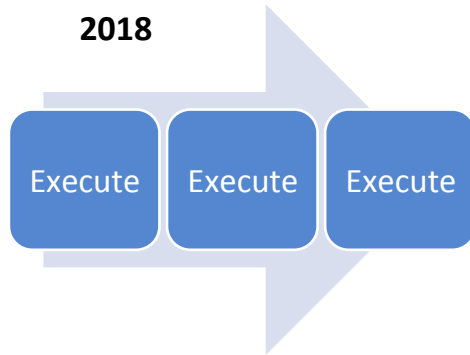
- ✓ Proactive care | **self-management**
- ✓ Accessible care | **severity of wheeze**
- ✓ Co-ordinated care | **asthma management plan share clinical information**

MAJOR MILESTONES & INFLECTION POINTS

AirSonea Generation II	2018
Initial functioning demonstration quality prototype for technology demonstration purpose with partner & investors.	Q2
Fully functional medical device quality prototype with design completed	Q3
Attend major industry tradeshow and healthcare conferences to showcase and generate interest for AirSonea Gen II with investors, customer and potential partners	Q3
Manufacturing package and limited production of verification units by contract manufacturer	Q3
One or more Memoranda of Understanding (MOU) or Letters of Intent (LOI) for collaboration will be established with targeted development & commercialisation partners to advance AirSonea Gen 2	Q3
Final design updates and verification testing and Ideally handover to preferred manufacturing partners in key target regions. (Initial manufacturing planned to take place in Australia, with export to target market(s))	Q4
Finalise planning and launch a significant pilot program in a major market (e.g. UK, Germany, USA) to establish value proposition of AirSonea Gen II. (Observational community based studies compared to current practice)	Q4
Regulatory approvals processes	Q3/Q4

MAJOR MILESTONES & INFLECTION POINTS

AirSonea Generation II	2018
Develop broader Respiro portfolio and roadmap including consumer overnight monitoring and the clinical PulmoTrack & WHolter products.	2018/2019



2018 / 1Q 2019

- Finished Medical Device
- Capacity to manufacture 1000+ to Quality Standards
- Regulatory Approval in target market(s)



“SOFT”

- Go it alone / No partner (Control / Max Margin)
- Social Media Platform (Aligned with target market)
- Distribution / Fulfillment (Service provider Model e.g. AMAZON)

PLAN DELIVERS : COMMERCIAL LAUNCH OF AIRSONEA GEN 2 IN TARGET MARKET(S) BY Q1/ 2019

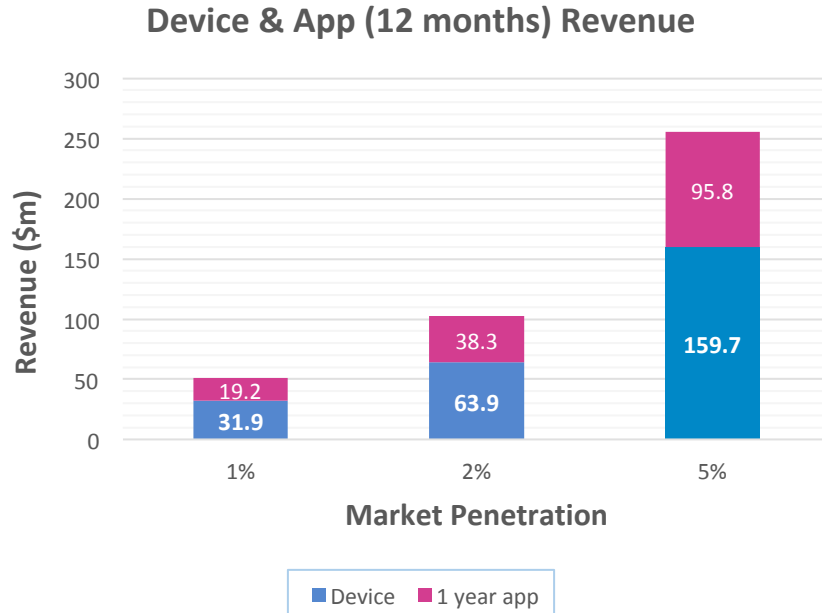
REVENUE SCENARIOS

INITIAL TARGET MARKET PENETRATION

- Target market – Children and Young People (CYP, 0-18 years old)
- Based on estimate that 10% of population are asthmatics, and 30% of asthmatics are CYP.
- Initial target locations – UK, Germany, Australia, US and Canada
- \$200-300 is an indicative device pricing range (supported by \$150-400 range for fitbit/health devices)
- Initial target market of 16m CYP asthmatics, compares to over 340m of diagnosed asthmatics globally
- 5% penetration of target market would produce \$256m revenue (\$160m device, \$96m app) - assuming \$200 device price, \$10/month app subscription price)
- These scenarios don't include next phase revenues (Big Data, other products such as overnight monitor)
- Selling the device at \$100 would still be profitable at a gross margin level and after sales/distribution margin

REVENUE SCENARIOS

INITIAL TARGET MARKET PENETRATION



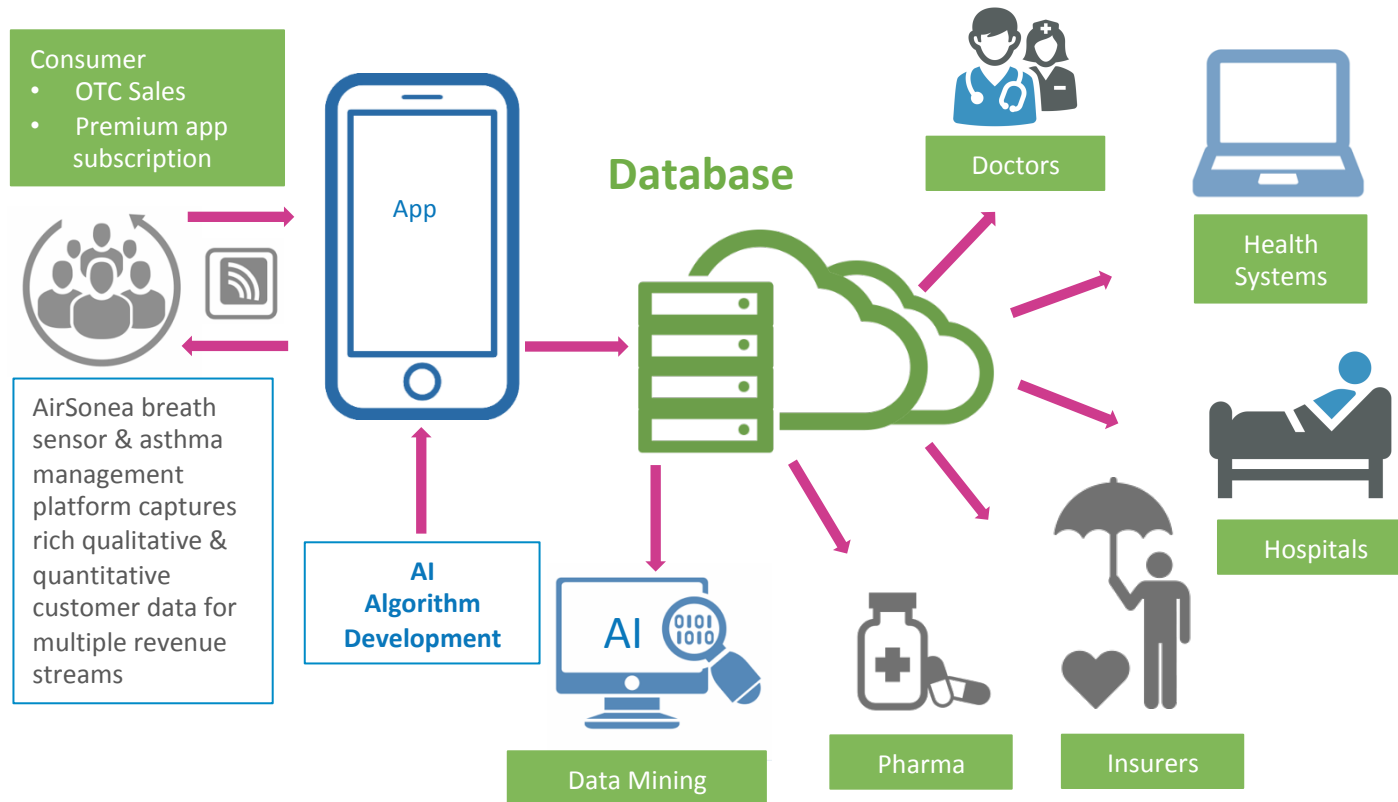
	Device Target market penetration (\$200 device cost)		
	(1%) \$m	(2%) \$m	(5%) \$m
UK	3.9	7.9	19.7
Germany	5.0	9.9	24.8
Australia	1.5	3.0	7.4
USA	19.4	38.8	96.9
Canada	2.2	4.4	10.9
TOTAL Device	31.9	63.9	159.7

	App Target market penetration (\$120/yr annuity charged monthly)		
	(1%) \$m	(2%) \$m	(5%) \$m
UK	2.4	4.7	11.8
Germany	3.0	6.0	14.9
Australia	0.9	1.8	4.4
USA	11.6	23.3	58.1
Canada	1.3	2.6	6.5
TOTAL APP	19.2	38.3	95.8

Population	Total (m)	Asthmatics (10%)	CYP asthmatics (30%)
TARGET MARKET			
UK	65.6	6.6	2.0
Germany	82.7	8.3	2.5
Australia	24.6	2.5	0.7
USA	323.0	32.3	9.7
Canada	36.3	3.6	1.1
TOTAL POPULATION	532.2	53.2	16.0

MHEALTH PLATFORM: REVENUE STREAMS

As we capture thousands, then millions of patient recordings it will provide trend data and answer questions today we can't answer about asthma!

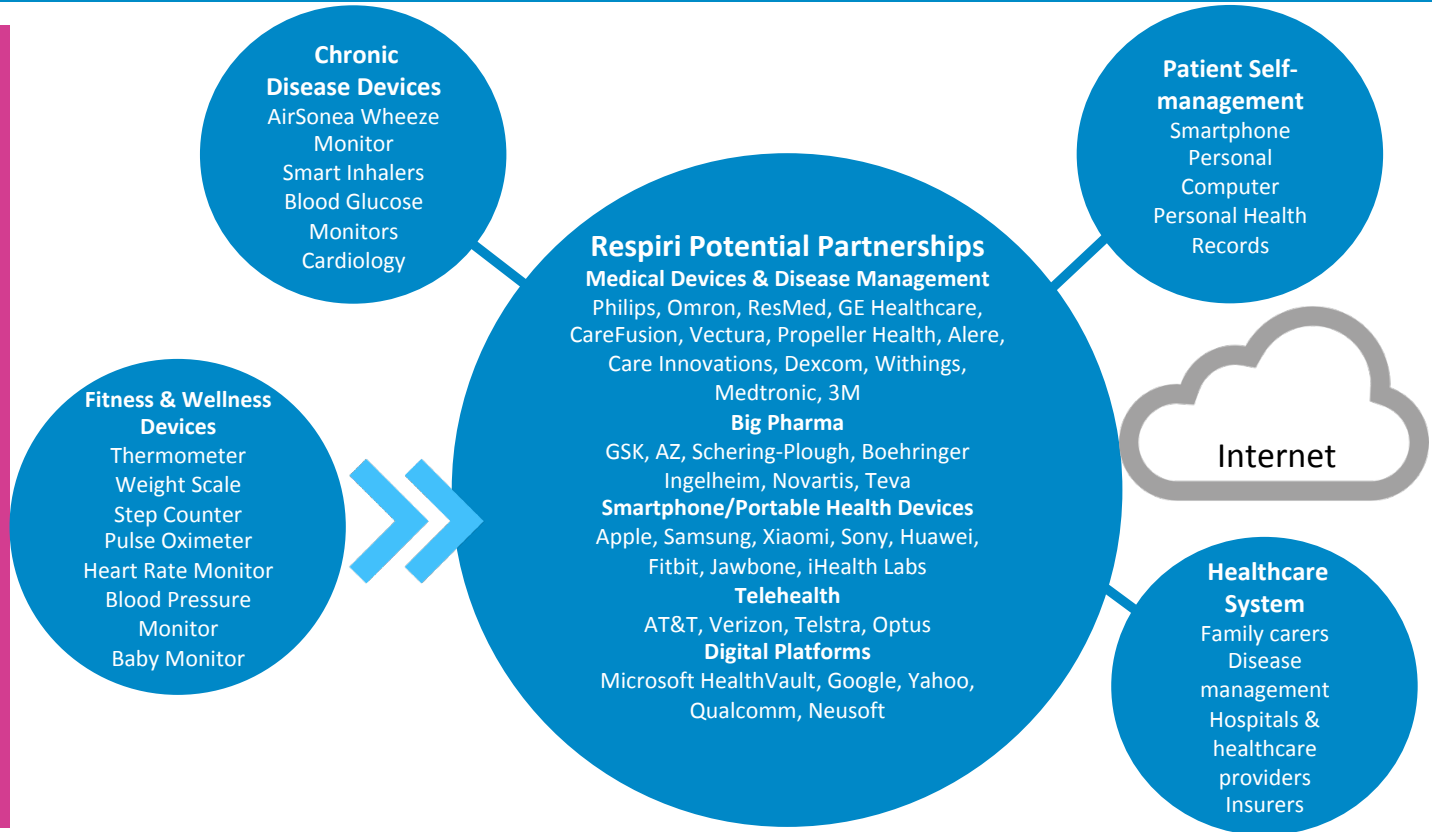


POTENTIAL PARTNERSHIPS

Many potential partners
but none are “perfect”
They want certainty & de-
risking to replace internal
candidates

VS

We want to maintain
some control &
commitment they will
prioritise our product(s)



NEW COLLABORATIONS IN MHEALTH

MAJOR COMPANIES HEDGING THEIR BETS EASY FOR SMALL CAP TO BE SEDUCED

Philips Venture Capital Fund BV

Baidu Injects \$40 Million Into Mobile Health Startup Quyi

Chinese mobile healthcare service Quyi announced that it has secured \$40 million USD in Series B funding led by Baidu with participation of existing investors of HighLight Capital and SB China Capital. The company received a

iHealth Raises \$25 Million to Fuel Growth and Global Market Share

Venture Arm of One of China's Largest Electronics Companies Makes First Investment in Mobile Healthcare
19 Sep, 2014, 15:37 ET from iHealth Lab, Inc.

Teva snaps up Gecko and its 'smart inhaler' to pump up respiratory meds

by Beth Snyder Bulik | Oct 5, 2015 7:34am

Medtronic and Qualcomm collaborate to aim to improve care and health outcomes for people with type 2 diabetes

MedTech

Philips, Teva venture firm looks to invest \$26M in Israeli med tech

Jan 27, 2016 10:23am

INDUSTRY NEWS > HEALTH CARE

Medtronic teams up with Fitbit on diabetes-tracking app

Dec 7, 2016, 12:32pm CST

INDUSTRIES & TAGS Health Care, Medical Devices

Propeller Health Completes \$21.5 Million Financing to Transform Respiratory Disease through Digitally-Guided Therapy

press release

10.20.16

press release



Funding comes from 3M Ventures, S.R. One, Limited, Hikma Ventures and existing investors Safeguard Scientifics and Social Capital.

CONTINUED DEVELOPMENT OF OUR ARM™ TECHNOLOGY PLATFORM

- Only requires added resources: talented people & capital
 - Most likely where partnership / collaboration provides greatest value
- Given history of R&D with portfolio, estimate we are already 50% – 60% from completed development for any product we “greenlight” today
 - ✓ Overnight Consumer Monitoring even further along
- Current ARM portfolio expected to deliver : 2 consumer and 1-2 Clinical / Hospital products over 3 – 5 year horizon

SUMMARY

Better placed to succeed today

- Market opportunity and unmet need just as compelling
- Burden of disease is creating “the burning platform” with Govt / Payors and Asthma associations desperate for solutions
- Acceptance and pervasiveness of digital health & connected medical technologies in chronic diseases is much higher
- RespiRI is bringing a superior product to the market through iterative learning and company better equipped to execute successfully
- ARM™ algorithm and software platform 20 years in the making, supports rest of potential portfolio in consumer and clinical based products
- Established a Melbourne (Australia) ecosystem to support excellence & efficiency in technology development, medical guidance and commercialisation to support globalisation

Respiri Limited (The Company) Risk Factors

This report identifies some of the major risks associated with an investment in the Company. The risk factors below ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company.

Speculative nature of investment

An investment in Shares of the Company should be considered very speculative. No assurance as to future profitability or dividends can be given as they are dependent on successful product development, future earnings and the working capital requirements of the Company. The Board does not envisage in the immediate future that the Company will generate sufficient revenue to be profitable or be in a position to declare any dividends. The financial prospects of the Company are dependent on a number of factors, including successfully completing further product development, gaining regulatory approvals, the degree of market acceptance or take-up of its products and the amount of competition encountered from competitive or alternative products developed by third parties. There is no guarantee that the Company's development work will result in commercial sales or that the Company will achieve material market penetration.

Competition: The medical device and digital health industries are highly competitive and include companies with significantly greater financial, technical, human, research and development, and marketing resources than the Company. There are companies that compete with the Company's efforts to develop, and commercialise its products.

Reliance on Key Personnel & Service Providers: The Company currently employs a small number of key personnel, and the Company's future depends on retaining and attracting suitably qualified personnel. There is no guarantee that the Company will be able to attract and retain suitably qualified personnel, and a failure to do so could materially and adversely affect the business, operating results and financial prospects. The Company operates a significant amount of its key activities through a series of contractual relationships with independent contractors and suppliers. All of the Company's contracts carry a risk that the third parties do not adequately or fully comply with its or their respective contractual rights and obligations. Such failure can lead to termination and/or significant damage to the Company's product development efforts.

Sufficiency of Funding: The Company has limited financial resources and will need to raise additional funds from time to time to finance the complete development and commercialisation of its products. The Company's ability to raise additional funds will be subject to, among other things, factors beyond the control of the Company and its Directors, including cyclical factors affecting the economy and share markets generally. The Directors can give no assurance that future funds can be raised by the Company on favourable terms, if at all.

Technological Development: Medical device research and product development involve scientific, software and engineering uncertainty and long lead times. There is no certainty as to whether any particular event or project will occur within a set period or by a certain date.

Regulatory Risk: Medical device products are regulated by government agencies and must be approved prior to commercial sales. Complex government health regulations increase uncertainty and are subject to change at any time. As such the risk exists that the Company's new products may not satisfy the stringent requirements for approval and/or the approval process may take longer than expected. This may adversely affect the Company's competitive position and the financial value of the medical devices to the Company.

Product Liability & Manufacturing Risks: As with all new products, even after the granting of regulatory approval, there is no assurance that unforeseen adverse events or manufacturing defects will not arise. Adverse events could expose the Company to product liability claims or litigation, resulting in the removal of the regulatory approval for the relevant products and/or monetary damages being awarded against the Company. In such event, the Company's liability may exceed the Company's insurance coverage. If any products do not meet suitability or quality assurance standards, this may result in increased costs and may delay sales.

Trade Secrets & Patents: The Company relies on its trade secrets and patent rights. It cannot be certain that others will not independently develop the same or similar technologies on their own or gain access to trade secrets or disclose such technology, or that the Company will be able to meaningfully protect its trade secrets and unpatented know-how and keep them secret. The Company's existing intellectual property rights include its copyright in source code used in its digital health technologies, its know-how in the development of digital health products and data arising from the use of its digital health products. There is no guarantee that the Company's intellectual property comprises all of the rights that the Company may require to freely commercialise its product candidates. The granting of a patent in one country does not mean the patent application will be granted in other countries and competitors may at any time challenge granted patents and a court may find that the granted patent is invalid or unenforceable or revoked.

Stock Market Volatility & Currency Risk

The performance of the share market may affect the Company and the price at which its shares trade on a share market. The share market has in the past and may in the future be affected by a number of matters. Revenue and expenditures will be received in overseas jurisdictions and will be subject to the risk of fluctuations in foreign exchange.

THANK YOU

RESPIRI LIMITED

APPENDIX | THE BOARD

Mario Gattino – Newly appointed CEO commenced December 2017

- Mr Gattino has held senior leadership positions at Pfizer, one of the world's largest pharmaceutical companies, in the USA and Europe
- He has a long successful track record in commercialising drug and device products globally and growing sales in multiple markets including the USA, Europe and Asia
- He is an expert in sophisticated stakeholder management, portfolio and business development via M&A and licensing, brand commercialisation, business innovation and profit generation
- His experience in launching and managing products in several countries, formulating and executing commercialisation plans, and dealing with local regulators will be invaluable to Respiro at this important juncture
- Qualifications MBA, Strategic Management & Marketing AGSM@UNSW Business School

APPENDIX | THE BOARD

Leon L'Huillier – Non-Executive Chairman

- Executive Chairman, Leon L'Huillier has a respected track record as a business man in his roles as a Chairman or Director of Medical Research, health and road trauma organisations. He is currently Deputy Chairman of Australian Prostate Cancer Research. He is former Chairman of the Vision CRC at the University of NSW, the world's leading centre for cornea and contact lens applied research.
- Other Board appointments include being a former Chairman of the Australian Health Ministers Advisory Council, Chairman, the Royal Children's Hospital, Brisbane and Director of the National Health and Medical Research Council. He is former Director of St. Vincent's Hospital, Melbourne and the O'Brien Institute that carries out internationally recognised scientific research in the fields of Tissue Engineering and Vascular Biology. He was Chief of Health Department Victoria where he introduced a large number of reforms.
- As Executive Chairman of Victoria's Transport Accident Commission he developed and introduced the innovative TAC road safety campaigns, which reduced Victoria's road toll by almost 50% in three years. He won a Cannes Golden Lion and received international recognition for his pioneering work. In private equity he has worked with major Australian firms including Macquarie Bank, Grant Samuel, Archer Capital, Ironbridge and Gresham.
- A former Director and Audit Chairman of Woolworths Limited, Director of Challenge Bank and MLC Limited, Chairman, Lend Lease Investment Board and the Australian Prime Property Fund Limited. He is a former Director of Price Waterhouse Australian Policy Board. He has been a CEO of fast moving consumer goods (FMCG) companies.
- Qualifications: MBA, (Chicago), MPhil, (London), BCom (Hons) (Melbourne), FAICD

APPENDIX | THE BOARD

John Ribot-de-Bresac – Independent Non-Executive Director

- John is an experienced entrepreneur
- He has extensive experience and a strong record of achievement as a senior executive across consumer facing businesses in the sport, leisure and hospitality industries including in strategy development and implementation.
- Following a distinguished sports career where he received the Australian Sports Medal, he was instrumental in the establishment of the Brisbane Broncos and Melbourne Storm, in executive Director roles, and as chairman of the Brisbane Roar.
- Currently John serves as Director of Victorian Major Events Company, executive chairman of Queensland Clubs Management (QCM), and owns hospitality venues throughout Queensland.

APPENDIX | MEDICAL & SCIENTIFIC ADVICE

Respiri has worked with a number of globally respected physicians and scientists including, but not limited to:

[Professor Noam Gavriely](#)

An international authority on pulmonary acoustics, Prof Gavriely has extensively published on various aspects of breath sound monitoring over the last 25 years and holds multiple patents on phonopneumography and other aspects of breath sounds monitoring.

[Professor Simon Godfrey](#)

Emeritus Professor Pediatrics at the Hadassah-Hebrew University, Jerusalem, Prof Godfrey's main research interests are in pediatric pulmonary physiology and the application of novel investigative techniques for the diagnosis and management of pediatric pulmonary disease. He has published over 190 original papers and 16 books.

[Professor Zahra Moussavi](#)

Director, Biomedical Engineering Program Professor & Canada Research Chair University of Manitoba, Prof Moussavi specialises in sleep apnea, respiratory sounds analysis and Alzheimer's diagnosis and treatment. She has published more than 180 papers.

[Dr David Danztker](#)

An internationally recognised expert in pulmonary medicine and critical care, Dr Danztker has served on the faculty and in leadership positions of four major research-oriented medical schools and authored or co-authored 130 research papers and five textbooks. He is former Chair of the American Board of Internal Medicine, the largest physician certifying board in the US.

APPENDIX – PUBLISHED RESEARCH PAPERS

1. Puder L., Fisher S., Wilitzki J., Usemann J., Godfrey S., Schmalisch G., Validation of Computerised wheeze detection in young infants during the first months of life. BMC Pediatrics 2014 14:257
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11. Bentur L, Beck R, Irving CS, Godfrey S. Nocturnal wheeze measurement in young asthmatics. Pediatric Asthma, Allergy and Immunology. 2004;17(3):191-197.
12. Levy ML, Godfrey S, Irving CS, Sheikh A, Hanekom W, Bush A, Lachman P. Wheeze detection: recordings vs. assessment of physician and parent. Journal of Asthma. 2004;41(8):845-53.
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14. Bentur L, Beck R, Shinawi M, Naveh T, Gavriely N. Wheeze monitoring in children for assessment of nocturnal asthma and response to therapy. European Respiratory Journal. 2003 Apr;21(4):621-6