

Prospectus

Respiri Limited
ACN 009 234 173

SPP Offer to Eligible Shareholders

For an offer to Eligible Shareholders to participate in a Share Purchase Plan by subscribing for up to \$30,000 worth of new Shares at an offer price of \$0.055 (5.5 cents) per Share (**SPP Shares**) to raise up to \$1 million (before costs), with the capacity to accept up to an additional \$1 million (before costs) pursuant to the Oversubscription (**SPP Offer**).

Shortfall Offer

For a separate offer, to remain open for up to 3 months from the close of the SPP Offer, to subscribe for any SPP Shares not taken up pursuant to the SPP Offer (**Shortfall Shares**) to be issued at an offer price of \$0.055 (5.5 cents) per Shortfall Share, being the price at which SPP Shares have been offered under the SPP Offer.

Cleansing

This prospectus has also been prepared for the purpose of section 708A(11) of the *Corporations Act 2001* (Cth) to remove any secondary trading restrictions on the on-sale of the Shares issued by the Company to the Placement Investors under the Placement and the Consultant Shares.

Important Information

This Prospectus is important and should be read in its entirety. If after reading this Prospectus you have any questions about the securities being offered under this Prospectus or any other matter, then you should consult your stockbroker, accountant or other professional adviser.

The Shares offered by this Prospectus should be considered as speculative.

This is a transaction specific prospectus issued in accordance with section 713 of the *Corporations Act 2001* (Cth).

Not for distribution in the USA or to USA Persons.

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Important Notice

Prospectus

This Prospectus relates to the offer of Shares by Respire Limited ACN 009 234 173 ("**RSH**" or "**Company**") under the Offers.

This Prospectus is dated 9 April 2020 and was lodged with the Australian Securities and Investments Commission (**ASIC**) on that date. The expiry date of the Prospectus is 5.00pm (AEST) on the date that is 13 months after the date of this Prospectus (**Expiry Date**). No Shares will be issued on the basis of this Prospectus after the Expiry Date.

This Prospectus is a transaction specific prospectus for an offer to acquire continuously quoted securities (as defined in the Corporations Act) and has been prepared in accordance with section 713 of the Corporations Act. It does not contain the same level of disclosure as an initial public offering Prospectus. In making representations in this Prospectus, regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters may reasonably be expected to be known to investors and their professional advisers.

None of ASIC and ASX, and their respective officers, take any responsibility for the contents of this Prospectus or the merits of the securities to which this Prospectus relates.

Applications for Shares offered pursuant to this Prospectus can only be submitted on an Application Form.

No representation other than in this Prospectus

No person is authorised to give information or to make any representation in connection with this Prospectus, which is not contained in the Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with this Prospectus.

Except as required by law, and only to the extent so required, neither the Company nor any other person warrants or guarantees the future performance of the Company or any return on any investment made pursuant to this Prospectus.

Prospectus does not contain investment advice

The information provided in this Prospectus is not investment advice and has been prepared without taking into account your investment objectives, financial situation or particular circumstances. It is important that you read and consider the information in this Prospectus in full before deciding to apply for SPP Shares or Shortfall Shares and consider the risks that could affect the performance of the SPP Shares and Shortfall Shares.

If you have any questions, you should seek advice from your financial or other professional adviser.

Obtaining a Prospectus and Application Form

Paper copies of this Prospectus and an Application Form can be obtained free of charge during the offer period (as set out in the Timetable) by calling Computershare Investor Services Pty Limited (**Share Registry**) from 9.00am to 5.00pm, Monday to Friday, on 1300 850 505.

Risk Factors

Potential investors should be aware that subscribing for SPP Shares and Shortfall Shares involves a number of risks. The key risk factors which investors should be aware are set out in Section 8 of this Prospectus. These risks, together with other general risks applicable to all investments in listed securities not specifically referred to, may affect the value of the SPP Shares.

Restrictions on Foreign Jurisdictions

This Prospectus does not, and is not intended to, constitute an offer in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus.

No action has been taken to register or qualify the SPP Shares or Shortfall Shares being offered under the Offers or otherwise permit a public offering of the SPP Shares or Shortfall Shares in any jurisdiction other than Australia and New Zealand. This Prospectus may not be distributed to or relied on by persons outside Australia or New Zealand.

In particular, this Prospectus, the Offers and the SPP Shares and Shortfall Shares to be issued under the Prospectus have not been, and will not be, registered under the USA Securities Act and the Offers may not be offered or sold in the USA except in transactions exempt from, or not subject to, registration under the USA Securities Act and applicable USA state securities laws.

Information for New Zealand investors

The SPP Shares and Shortfall Shares are not being offered or sold to the public in New Zealand other than to existing shareholders of the Company with registered addresses in New Zealand at 7.00pm (AEDT) on the Record Date to whom the offer of SPP Shares and Shortfall Shares can be made in reliance on the *Financial Markets Conduct Act 2013* (NZ) (the "**FMC Act**"), the *Financial Markets Conduct Regulations 2014* (NZ) ("**the FMC Regulations**") and the *Financial Markets Conduct (Incidental Offers) Exemption Notice 2016* (NZ).

This document has not been registered, filed or approved by any New Zealand regulatory authority. This document is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

Financial information and forward looking statements

Section 6.6 sets out in detail the financial information referred to in this Prospectus and the basis of preparation of that information.

Any discrepancies between totals and sums of components in tables contained in this Prospectus are due to rounding. This Prospectus contains forward looking statements which are identified by words such as 'may', 'could', 'believes', 'estimates', 'expects', 'intends' and other similar words that involve risks and uncertainties. Any forward looking statements are subject to various risk factors that could cause the Company's actual results to differ materially from the results expressed or anticipated in these statements. Forward looking statements should be read in conjunction with risk factors as set out in Section 8, and other information in this Prospectus.

Defined words and expressions

Some words and expressions used in this Prospectus have defined meanings. These words and expressions are capitalised and are defined throughout the Prospectus or in the Glossary in Section 10.

A reference to \$ or cents in this Prospectus is a reference to Australian currency (unless otherwise stated). A reference to time in this Prospectus is a reference to Melbourne, Australia time.

Privacy

If you apply for SPP Shares or Shortfall Shares, you will provide personal information to the Company its agents, contractors and third party services providers. The Company its agents, contractors and third party services providers collect, hold and use your personal information in order to assess your application, service your needs as a Shareholder and provide facilities and services that you request and carry out appropriate administration.

The information may also be used from time to time and disclosed to persons inspecting the register, bidders for your securities in the context of takeovers, regulatory bodies including the Australian Taxation Office, print service providers, mail houses and the Share Registry.

Failure to provide the required personal information may mean that your Application is not able to be processed efficiently, if at all. You may request access to your personal information held by or on behalf of the Company and by the Share Registry. You may also request the correction of your personal information by contacting the Company or the Share Registry by emailing privacy@computershare.com.au, or by using the details in the Corporate Directory at the back of this Prospectus.

1. Letter to Shareholders

Dear Shareholder,

Overview

On behalf of the Board, it is my pleasure to present this Prospectus and to offer you the opportunity to participate in the future growth of the Company through this offer of securities.

The Board recognises and appreciates our loyal and supportive Shareholders and wishes to provide a means to participate in the Company's potential future by way of a Share Purchase Plan (**SPP**) under similar terms as the Placement to sophisticated and professional investors.

SPP Offer

As announced to the market on 26 March 2020, the Company secured approximately \$2 million (before costs) by way of a private placement (**Placement**), of which approximately \$1.6 million (before costs) was raised from sophisticated and professional investors (**Placement Investors**) by the issue of 29,421,460 Shares (**Placement Investor Shares**) at an issue price of \$0.055 (5.5 cents) per Share. As announced by the Company on 3 April 2020, the Placement Investors Shares along with an additional 629,768 Shares issued to various parties in consideration for introductory services provided in connection with the Placement (**Consultant Shares**) were issued on 3 April 2020. The remaining amount of approximately \$0.4 million (before costs) raised under the Placement has been contributed by the Directors, applying for Shares at an issue price of \$0.055 (5.5 cents) per Share, whereby the issuance of shares to the Directors for such investment (**Director Placement Shares**) will be subject to the Company obtaining Shareholder approval at the EGM in accordance with the ASX Listing Rules.

In conjunction with the Placement, the Company wishes to provide its loyal shareholders with an opportunity to participate in the capital raising program by undertaking the SPP to raise up to \$1 million (before costs) by the issue of up to 18,181,819 SPP Shares, with the capacity to accept an additional \$1 million (before costs) pursuant to the Oversubscription (**SPP Offer**).

Under the SPP Offer, each Eligible Shareholder may apply for up to \$30,000 worth of new Shares at \$0.055 per Share (**Offer Price**). Applications may be made in parcels of \$1,000, \$2,000, \$5,000, \$10,000, \$15,000, \$20,000, \$25,000 and \$30,000 worth of SPP Shares.

Investors should note that the Company will only be accepting Applications under the SPP Offer from Eligible Shareholders that have not disposed of any of their Shares as between 9.00 am (AEST) on the SPP Offer Opening Date and 7.00 pm (AEST) on the SPP Offer Closing Date (**Relevant Period**).

Furthermore the Company may, at its absolute discretion, scale-back the number of SPP Shares that will be allotted to individual Applicants under the SPP Offer. In the event of any scale-back, the Board will prioritise Applications received from Eligible Shareholders that have increased the number of Shares held during the Relevant Period.

For further information on the conditions of acceptance of Applications under the SPP Offer and the allocation policy adopted by the Company in the event of scale-backs, please refer to Section 5.1(i) of this Prospectus.

The Board has structured the SPP to encourage our loyal, smaller shareholders to apply and increase their holding in the Company. The Offer Price of \$0.055 per SPP Share is at a 25.6% discount to the closing price of the Shares on the last Trading Day prior to the date of this Prospectus and at a 23.9% discount to the 15 day VWAP ending on 16 March 2020.

Shortfall Offer

In the event that less than the maximum number of SPP Shares offered are applied for under the SPP Offer (**Shortfall Shares**), the Shortfall Shares may be placed at the discretion of the Directors under the Shortfall Offer in accordance with Section 5.2.

All Shares issued under the SPP Offer and the Shortfall Offer will rank equally with existing Shares on issue. A summary of the rights attaching to the Shares offered by this Prospectus is set out in Section 7.

Use of funds

It is proposed that the funds raised from the Offers (together with the Placement) will be invested in strategic initiatives such as product and clinical development, manufacturing, sales and marketing of the Company's proprietary wheezo® respiratory eHealth SaaS platform and medical device, a unique asthma management care that extends beyond physician care in the clinic and empowers the patient. A full commercial launch of wheezo® in Australia is anticipated before the end of 2020.

Eligibility

Participation in the SPP Offer is optional and is available to Shareholders who are registered as holders of Shares at 7.00pm (AEDT) on the Record Date and whose registered address is in Australia or New Zealand (**Eligible Shareholders**).

If you are an Eligible Shareholder, your personalised Application Form in relation to the SPP Offer is included in this package. The SPP Offer will open on **Thursday, 9 March 2020 (SPP Offer Opening Date)** and will close at 5.00pm (AEST) on **Friday, 1 May 2020 (SPP Offer Closing Date)**. Accordingly, Shareholders are encouraged to submit their Application Forms as early as possible. Further details about how to apply for SPP Shares are set out in Section 5.1(e) of this Prospectus. If you choose not to participate in the SPP Offer, your right to participate lapses on the SPP Offer Closing Date.

How to apply

The SPP Offer opens on Thursday, 9 April 2020 and closes on Friday, 1 May 2020, subject to the Company's discretion to vary the dates of the Offer Period.

To apply for SPP Shares you must either:

- complete and return the enclosed Application Form, together with payment of the Application Amount via cheque, bank draft or money order; or
- make a payment of the Application Amount directly via BPAY® (you do not need to return an Application Form under this option).

If you are an Eligible Shareholder you may apply for a parcel of SPP Shares valued at \$1,000, \$2,000, \$5,000, \$10,000, \$15,000, \$20,000, \$25,000 or \$30,000 (subject to discretionary scale-back). Cleared funds must be received by no later than 5.00pm (AEST) on Friday, 1 May 2020.

As noted above, the Company will only be accepting Applications under the SPP Offer from Eligible Shareholders that have not disposed of any of their Shares during the Relevant Period and that in the event of any oversubscription under the SPP Offer, the Board will allocate priority to Applications from Eligible Shareholders that have increased the number of Shares held during the Relevant Period. For further information on the conditions of acceptance of Applications under the SPP Offer and the allocation policy adopted by the Company in the event of scale-backs, please refer to Section 5.1(i) of this Prospectus.

Offers under Prospectus

The offers of Shares under the SPP Offer (including any Oversubscription) and in respect of any Shortfall Offer (to the extent of any Shortfall Shares) is made pursuant to this Prospectus.

This Prospectus has also been prepared for the purposes of section 708A(11) of the Corporations Act to remove any secondary trading restrictions on the on-sale of the shares issued by the Company to the Placement Investors under the Placement and the Consultant Shares.

The terms and conditions of the SPP Offer, the Shortfall Offer and your Application Form are provided with this Prospectus. This Prospectus also includes details of the Company, together with a statement of the key risks associated with investing in the Company. You should read this Prospectus in its entirety before deciding whether to participate in the SPP Offer.

EGM

The Company also intends to convene an extraordinary general meeting of Shareholders to be held in Melbourne at 2.00 pm (AEST) on 26 May 2020 (**EGM**) seeking Shareholder approval for, amongst other things, ratification of the SPP Shares to be issued under this Prospectus. At the EGM, Shareholder approval will also be sought for the issue of the Director Placement Shares as well as to ratify the issue of the Placement Investor Shares and the Consultant Shares to replenish the Company's placement capacity under ASX Listing Rules 7.1 and 7.1A.

A notice of meeting in relation to the EGM (**Notice of Meeting**) will be dispatched to Shareholders along with, if such Shareholder is also an Eligible Shareholder, a copy of this Prospectus. I encourage all Shareholders to carefully read the Notice of Meeting and to vote at the EGM.

Queries

If you have any questions in relation to how to participate in the SPP Offer, please contact the Company, from 9.00am to 5.00pm, Monday to Friday, on 1300 850 505. If you have any questions in relation to whether an investment in the Company through the SPP Offer is appropriate for you, please contact your stockbroker, accountant or other professional adviser.

Thank you for your continued support of Respiri Limited.

Yours sincerely,



MARJAN MIKEL

Marjan Mikel
Managing Director and CEO
Respiri Limited

2. Key Offer information

What are the Offers?

The Offer is comprised of the SPP Offer and the Shortfall Offer.

The SPP Offer provides Eligible Shareholders with the opportunity to subscribe for up to \$30,000 worth of SPP Shares at the Offer Price of \$0.055 (5.5 cents) per SPP Share without paying any brokerage or other charges.

More details of the SPP Offer are set out in this Section 2 and in Section 5.1 of this Prospectus.

The Shortfall Offer is a separate offer, to remain open for up to 3 months following the close of the SPP Offer, to subscribe for any SPP Shares not taken up pursuant to the SPP Offer (**Shortfall Shares**) to be issued at an offer price of \$0.055 (5.5 cents) per Shortfall Share, being the price at which SPP Shares have been offered under the SPP Offer.

More details of the Shortfall Offer are set out in this Section 5.2 of this Prospectus.

The SPP Offer and the Shortfall Offer are made on the terms and conditions set out in this Prospectus.

Condition of acceptance of SPP Offer Applications

The Company will only be accepting Applications under the SPP Offer from Eligible Shareholders that have not disposed of any of their Shares during the Relevant Period.

Furthermore the Company may, at its absolute discretion, scale-back the number of SPP Shares that will be allotted to individual Applicants under the SPP Offer. In the event of a scale-back, the Company intends to prioritise allocations to Shareholders who have increased the number of Shares held during the Relevant Period.

For further information on the conditions of acceptance of Applications under the SPP Offer and the allocation policy adopted by the Company in the event of scale-backs, please refer to Section 5.1(i) of this Prospectus.

How much will the Company raise under the SPP Offer?

The Company is seeking to raise \$1 million (before costs) under the SPP Offer, with capacity to raise up to an additional \$1 million (before costs) pursuant to the Oversubscription. The Company reserves the right to raise more or less than this amount in its absolute discretion.

What is the Offer Price of SPP Shares?

The SPP Shares offered under the SPP Offer will be issued at the Offer Price of \$0.055 (5.5 cents) per SPP Share, which is the price at which Shares were issued to investors under the Placement.

There is a risk that the market price of Shares may rise or fall between the Record Date, the date of this Prospectus, the date on which a Shareholder makes a payment for SPP Shares or submits an Application Form, and the Issue Date of SPP Shares under the SPP Offer. This means that the price you pay for the SPP Shares issued to you may be less than or more than the market price of Shares at the date of this Prospectus or the Issue Date.

Your Application is unconditional and may not be withdrawn even if the market price of Shares is less than the Offer Price.

The current Share price can be obtained from the ASX under the ticker code "RSH".

Is the SPP Offer underwritten?

No, the Offers are not underwritten.

Am I an Eligible Shareholder?

Participation in the Offers is open to Eligible Shareholders, being Shareholders:

- who were registered holders of Shares as at 7.00pm (AEDT) on the Record Date; and
- whose registered address was in Australia or New Zealand;
- are not in the USA and are not USA Persons or acting for the account or benefit of USA Persons; and
- are eligible under all applicable securities laws to receive an offer under the SPP Offer.

The SPP is also being extended to Eligible Shareholders who are Custodians for them to participate in the SPP on behalf of certain Participating Beneficiaries (who are Australian or New Zealand residents and not in the USA, or acting for the account or benefit of a USA Person) on the terms and conditions provided in this Prospectus.

How much can I invest under the SPP Offer?

Eligible Shareholders may apply for a parcel of SPP Shares under the SPP Offer in accordance with the Application Amounts set out below. The maximum Application Amount under the SPP Offer is \$30,000 or 545,455 SPP Shares, whereby any Applications are subject to scale-back at the absolute discretion of RSH and in accordance with the scale-back policy referred to in Section 5.1(i).

The number of SPP Shares issued to an Applicant will be rounded up to the nearest whole number after dividing the Application monies by the Offer Price.

Application Amount	Number of SPP Shares
\$30,000	545,455
\$25,000	454,546
\$20,000	363,637
\$15,000	272,728
\$10,000	181,819
\$5,000	90,910
\$2,000	36,364
\$1,000	18,182

How do I apply for SPP Shares?

If you wish to participate in the SPP Offer, you need to do one of the following.

- **Option 1: Pay by BPAY®**

Make payment by BPAY® as shown on the enclosed Application Form. To apply via BPAY® you must have an Australian bank account. If you apply via BPAY® there is no need to return the enclosed Application Form, but you will be taken to have made the statements and certifications that are set out in the Application Form.

Payment must be received in cleared funds by no later than 5.00pm (AEST) on Friday, 1 May 2020.

You should be aware that your own financial institution may implement earlier cut off times for electronic payments and you should take this into consideration when making payment of application monies via BPAY®.

- **Option 2: Pay by cheque or money order**

Complete and return the enclosed Application Form together with a cheque or money order made payable to 'Respiri Limited' and crossed "Not Negotiable" as shown on the Application Form. Application Forms and payment must be received by no later than 5.00pm (AEST) on Friday, 1 May 2020 and should be sent in the enclosed reply paid envelope or mailed to Computershare Investor Services Pty Limited at the following address:

Computershare Investor Services Pty Limited
GPO Box 1282
Melbourne VIC 3001

Do Eligible Shareholders have to participate in the SPP Offer?

No, participation in the SPP Offer by Eligible Shareholders is entirely voluntary.

If you do not wish to participate in the SPP Offer, do nothing.

Can entitlements under the SPP Offer be transferred to a third party?

No, the entitlements of Eligible Shareholders under the SPP Offer cannot be transferred.

What are the rights attached to SPP Shares issued under the SPP Offer?

SPP Shares issued under the SPP Offer will rank equally with other fully paid ordinary Shares of the Company as at the date of issue of the SPP Shares. A summary of the rights attaching to the Shares offered by this Prospectus is set out in Section 7.

Are the Offers conditional?

The Offers are not conditional.

What happens if there is a scale-back?

If there is a scale-back, the difference between the Application monies received from you, and the number of SPP Shares allocated to you multiplied by the Offer Price, will be refunded to you in accordance with Section 5.2.

Will the SPP Shares be quoted on ASX?

Whilst the Company will apply for quotation of the SPP Shares on ASX within seven days of the date of the Prospectus, in the event that quotation of the SPP Shares are not granted by ASX within three months of the date of the Prospectus (or any further extension in reliance on ASIC Corporations (Minimum Subscription and Quotation Conditions) Instrument 2016/70 which will

include withdrawal rights to investors) then any issue of SPP Shares will be void and the Company will refund all Application monies to Applicants without interest.

The fact that ASX may grant official quotation of the SPP Shares is not to be taken in any way as an indication of the merits of the Company or the SPP Shares.

Where can I get more information on the SPP Offer?

If you have questions in relation to how to participate in the SPP Offer, please contact the Company, on 1300 850 505. If you have any questions in relation to whether an investment in the Company through the SPP Offer is appropriate for you, please contact your stockbroker, accountant or other professional adviser.

What do I do if I am a Custodian?

The SPP Offer is being extended to Eligible Shareholders who are Custodians and who wish to apply for SPP Shares on behalf of certain Participating Beneficiaries.

The SPP Offer is being offered to Custodians as the registered Shareholder. Custodians are not required to participate on behalf of their Participating Beneficiaries. Custodians may choose whether or not to extend the SPP Offer to their Participating Beneficiaries.

If you wish to apply as a Custodian under the SPP Offer to receive SPP Shares for one or more Participating Beneficiaries, you must complete and submit an additional Custodian Certificate before your application will be accepted. Applications by Custodians that are not accompanied by a duly completed Custodian Certificate will be rejected. By applying as a Custodian on behalf of Participating Beneficiaries to purchase SPP Shares, you certify (amongst other things) that each Participating Beneficiary has not exceeded the \$30,000 limit.

3. Key dates

The key dates in respect of the Offers are as follows.

Event	Date
Record Date	25 March 2020
Announce SPP Offer and Shortfall Offer on ASX	26 March 2020
Issue Placement Investor Shares and Consultant Shares	3 April 2020
Lodge Prospectus with ASIC and ASX	9 April 2020
Voluntary suspension lifted	9 April 2020
SPP Offer Opening Date and Shortfall Offer Opening Date	9 April 2020
Despatch Prospectus and Notice of Meeting	16 April 2020
SPP Offer Closing Date	1 May 2020
Announce completion of SPP Offer on ASX	6 May 2020
Issue SPP Shares	8 May 2020
Despatch new holding statements for SPP Shares	11 May 2020
Quotation of SPP Shares	11 May 2020
EGM Record Date	24 May 2020
EGM conducted	26 May 2020
Shortfall Offer Closing Date	31 July 2020
Issue Shortfall Shares	3 August 2020
Quotation of Shortfall Shares	4 August 2020

Subject to the Corporations Act and ASX Listing Rules, the Company reserves the right to vary these times and dates (other than in respect of events that have already occurred) in its absolute discretion by sending a revised timetable to ASX. All times are references to time in Melbourne, Victoria.

The Directors, subject to the requirements of the ASX Listing Rules and the Corporations Act, reserve the right to:

- (a) withdraw some or all of the Offers without prior notice; or
- (b) vary any of the key dates set out in this Prospectus, including extending or closing early any of the Offers.

4. Corporate directory

Directors Mr Nicholas Smedley, Executive Chairman, Director Mr Marjan Mikel, Managing Director and CEO Dr Thomas Duthy, Non-Executive Director	Registered Office C/- Jeffrey Thomas & Partners Level 10, 446 Collins Street Melbourne VIC 3000 Contact number: 1300 850 505
Company Secretary Mr Alastair Beard	Australian Legal Adviser Gadens Level 25, Bourke Place 600 Bourke Street Melbourne VIC 3000
Share Registry Computershare Investor Services Pty Limited GPO Box 2975 Melbourne VIC 3001 www.investorcentre.com	ASX Code RSH

5. Details of the Offers

5.1 SPP Offer

(a) Background

The SPP Offer is being made to Eligible Shareholders to provide them the opportunity to increase their existing shareholding in the Company and participate in the future prospects of the Company. The SPP Offer is a convenient and cost-effective way for Eligible Shareholders to acquire Shares in the Company (**SPP Shares**).

The SPP Offer consists of an offer of up to 18,181,819 SPP Shares to be issued to Eligible Shareholders at an Offer Price of \$0.055 (5.5 cents) per SPP Share to be issued to Eligible Shareholders to raise up to \$1 million (before costs). In addition, the Company has the capacity to issue up to an additional 18,181,819 SPP Shares at \$0.055 (5.5 cents) pursuant to the Oversubscription.

The SPP Shares to be issued pursuant to this Prospectus are of the same class and will rank equally in all respects with the then issued and outstanding Shares in the Company. The rights attaching to the Shares are further described in Section 7 below.

Only persons who are Eligible Shareholders may participate in the SPP. If you are an Eligible Shareholder, your rights under the SPP Offer are personal to you and cannot be transferred to another person.

The Company intends to seek quotation for the SPP Shares.

All references to \$ or dollars in this Prospectus are references to Australian dollars unless indicated otherwise.

Please note that any Applications will be subject to the conditions of acceptance referred to in Section 5.1(i) of this Prospectus; namely the Company will not be accepting Applications under the SPP Offer from Eligible Shareholders that have disposed of any of their Shares during the Relevant Period. For further information on the conditions of acceptance of Applications under the SPP Offer and the allocation policy adopted by the Company in the event of scale-backs, please refer to Section 5.1(i) below.

(b) Who is Eligible?

Participation in the SPP Offer is optional and is available exclusively to Eligible Shareholders. The Company has determined that it is not practical for holders of Shares with addresses on the register in other jurisdiction to participate in the SPP Offer.

The SPP Offer does not constitute an offer in any jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer.

If you are an Eligible Shareholder, you should have received a copy of this Prospectus together with a personalised Application Form and a reply paid envelope.

(c) How much can you invest?

Consistent with ASIC Corporations (Share and Interest Purchase Plans) Instrument 2019/547, each Eligible Shareholder may only purchase up to \$30,000 worth of SPP Shares under the SPP. This represents 545,455 SPP Shares. This value is

the same for all Shareholders, irrespective of how many Shares are held at 7.00pm (AEDT) on the Record Date. This limit also applies if a Shareholder receives more than one offer for the Company (for example, if a Shareholder is both a sole and joint Eligible Shareholder or a Shareholder with more than one holding under a separate account, the Shareholder can only apply for SPP Shares up to a maximum value of \$30,000).

All Offers for SPP Shares under the SPP Offer are non-renounceable and therefore the right to participate in the SPP cannot be transferred.

Eligible Shareholders may participate in the SPP Offer by applying to purchase a parcel of SPP Shares in the following Application Amounts, up to a maximum amount of \$30,000 per Eligible Shareholder:

Application Amount	SPP Shares
\$1,000	18,182 SPP Shares
\$2,000	36,364 SPP Shares
\$5,000	90,910 SPP Shares
\$10,000	181,819 SPP Shares
\$15,000	272,728 SPP Shares
\$20,000	363,637 SPP Shares
\$25,000	454,546 SPP Shares
\$30,000	545,455 SPP Shares

The number of SPP Shares issued to an Applicant will be rounded up to the nearest whole number after dividing the Application monies by the Offer Price. No brokerage, stamp duty or other costs are payable by Applicants in respect of an application for SPP Shares under this Prospectus.

If two or more persons are recorded in the register of Shareholders of the Company as jointly holding Shares, they are considered to be a single registered holder for the purposes of this SPP and they are entitled to participate in the SPP in respect of that single holding only. If as joint holders, they receive more than one offer under the SPP due to multiple identical holdings, the joint holders may still only invest a maximum of \$30,000 under the SPP.

(d) Offer Price

The Offer Price under the SPP of \$0.055 (5.5 cents) per Share is payable in full on acceptance of part or all of your Application.

The Offer Price is the same price at which Shares have been issued to Placement Participants under the Placement. The Offer Price is at a 25.6% discount to the closing price on the last Trading Day prior to the date of this Prospectus, being 16 March 2020 and at a 23.9% discount to the 15 day VWAP ending 16 March 2020.

The SPP Shares are a speculative investment and the market price of the Shares may change between the Opening Date and the Issue Date. This means that the Offer Price of \$0.055 may exceed the market price of the Shares at the Issue Date. The Company does not make any assurance as to the market price of Shares and

there can be no assurance as to the market price of Shares and there can be no certainty that Shares in the Company will trade at or above the Offer Price of \$0.055 per SPP Share following the Issue Date. Shareholders should seek their own financial advice in relation to, and participation in, the SPP.

(e) How to apply

The SPP Offer will open on Thursday, 9 April 2020 at 6:00pm (AEST) and will remain open until 5.00pm (AEST) on Friday, 1 May 2020.

If you are an Eligible Shareholder and wish to participate in the SPP Offer, you must either:

- (i) make payment by BPAY® in the appropriate Application Amount in Australian dollars using your customer reference number (which is required to identify your holding) and the biller code, both of which are set out on your personalised Application Form, so that payment is received by the Share Registry by no later than 5.00pm (AEST) on Friday 1 May 2020. If you make a payment by BPAY® you do not need to send your completed Application Form as receipt of your BPAY® payment will be taken by the Company as your Application.

If you have multiple holdings you will have multiple BPAY® Reference Numbers. To ensure you receive your SPP Shares under the SPP in respect of that holding you must use the specific Biller Code and Reference Number shown on each personalised Application Form when paying for any SPP Shares that you may wish to apply for in respect of that holding (noting the SPP Offer is limited to \$30,000 per Eligible Shareholder). If you inadvertently use the same BPAY® Reference Number for more than one of your applications you will be deemed to have applied only for that Application to which that BPAY® Reference Number applies and any excess Application Amount will be refunded.

You should be aware that your own financial institution may implement earlier cut off times for electronic payments and you should take this into consideration when making payment of Application monies via BPAY®. Your financial institution may have a set limit on the amount that you can pay via BPAY®. It is your responsibility to ensure that the amount you wish to pay via BPAY® is received by the Company's Share registry by 5.00pm (AEST) on Friday, 1 May 2020.

You may also have your own limited on the amount that can be paid via BPAY®. It is your responsibility to check that the amount you wish to pay via BPAY® does not exceed your limited.

Or

- (ii) complete and submit your personalised Application Form in accordance with the instructions on it and make payment for the SPP Shares by enclosing a cheque or money order for the appropriate Application Amount in Australian dollars made payable to "Respiri Limited" and crossed "Not Negotiable" and sending the cheque or money order with the Application Form:

(A) in the enclosed reply paid envelope; or

(B) by mail to

Computershare Investor Services Pty Limited
GPO Box 1282

Melbourne VIC 3001

so that they are received by the Share registry no later than 5.00pm (AEST) on Friday, 1 May 2020.

Receipts for payment will not be issued. Payment will only be accepted in Australian currency and cheques, bank drafts, money orders and BPAY® payments must be drawn on an Australian bank.

You should ensure that sufficient funds are held in the relevant account(s) to cover the Application monies. If the amount of your cheque for Application monies is insufficient to pay in full for the number of whole SPP Shares you have applied for in your Application Form, you may be taken to have applied for such lower number of SPP Shares as your cleared Application monies will pay for (and to have that number of SPP Shares on your Application Form). Alternatively, your Application will be rejected. If your cheque does not clear due to insufficient funds in your account, your Application may be rejected. Further, if you provide a cheque or money order for the incorrect amount, the Company may treat you as applying for as many SPP Shares as your cheque, bank draft or money order will pay for.

Applicants should not forward cash and direct bank direct transfers are not permitted. You will not be able to withdraw or revoke your Application once you have submitted it, other than as required under the Corporations Act.

Applicants are encouraged to lodge their Application Forms as soon as possible, as the SPP may close early without notice.

No stamp duty, brokerage or handling fees are payable by the Applicant for the SPP Shares offered by this Prospectus.

Application monies will be held in trust in a subscription account until allotment of the SPP Shares. The subscription account will be established and kept by the Company on behalf of the Applicants. Any interest earned on the Application monies will be retained by the Company irrespective of whether allotment takes place.

(f) Custodians, trustees and nominees

Eligible Shareholders who are Custodians may participate in the SPP on behalf of:

- (i) one or more persons that are not Custodians on whose behalf the Custodian is holding Shares; or
- (ii) a person, on whose behalf, another Custodian (**Downstream Custodian**) holds beneficial interests in Shares in the Company and the Custodian holds the Shares to which those beneficial interests relate, on behalf of the Downstream Custodian or another Custodian,

(each a **Participating Beneficiary**).

If you are a Custodian holding Shares on behalf of two or more persons jointly, the joint beneficiaries will be taken to be a single Participating Beneficiary for the purposes of these terms and conditions.

If you are a Custodian and hold Shares on behalf of one or more Participating Beneficiaries, you may apply for up to a maximum of \$30,000 worth of new Shares for each Participating Beneficiary subject to providing the Company with a Custodian Certificate (included for Custodians with this Prospectus), in addition to the Application Form, certifying the following:

- (i) that, as at 7.00pm (AEDT) on the Record Date, either or both of the following:
 - (A) you hold Shares on behalf of one or more Participating Beneficiaries that are not Custodians;
 - (B) a Downstream Custodian holds a beneficial interest in Shares on behalf of one or more Participating Beneficiaries, and you hold the Shares on behalf of the Downstream Custodian or another Custodian,

and each Participating Beneficiary has subsequently instructed the following person to apply for new Shares on their behalf pursuant to the SPP:

- (C) where paragraph (i)(A) applies, you as the Custodian; or
 - (D) where paragraph (i)(B) applies, the Downstream Custodian;
- (ii) the number of Participating Beneficiaries;
- (iii) the name and address of each Participating Beneficiary for whom the Custodian applies for SPP Shares;
- (iv) in respect of each Participating Beneficiary:
 - (A) where paragraph (i)(A) applies, the number of Shares in the Company that you hold on behalf of the Participating Beneficiary; and
 - (B) where paragraph (i)(B) applies, the number of Shares in the Company to which the beneficial interests relate;
- (v) in respect of each Participating Beneficiary:
 - (A) where paragraph (i)(A) above applies, the number or dollar amount of SPP Shares the Participating Beneficiary has instructed you to apply for on their behalf; and
 - (B) where paragraph (i)(B) applies, the number or dollar amount of SPP Shares the Participating Beneficiary has instructed the Downstream Custodian to apply for on their behalf;
- (vi) that there are no Participating Beneficiaries in respect of which the total of the Application price for the following exceeds \$30,000:
 - (A) the SPP Shares applied for by you as Custodian under the SPP in accordance with the instructions in paragraph (v); and
 - (B) any other Shares issued to you as Custodian in the 12 months prior to the date of submission of the Application Form as a result of an instruction given by them to you as Custodian or a Downstream Custodian to apply for Shares under an arrangement similar to the SPP operated by the Company;
- (vii) that a copy of the written offer document was given to each Participating Beneficiary; and

- (viii) where paragraph (i)(B) applies, the name and address of each Custodian who holds beneficial interests in Shares held by the Custodian in relation to each Participating Beneficiary.

If you hold Shares as a trustee or nominee for another person or persons but are not a Custodian as defined in Instrument 2019/547, you cannot participate for beneficiaries in the manner described above. In this case, the rules for multiple single holdings apply.

Custodians should have received a Custodian Certificate with the Prospectus. If you are a Custodian and you did not receive a Custodian Certificate or would like further information on how to apply, you should contact the Share Registry.

The Company reserves the right to reject any Application for SPP Shares to the extent it considers that the Application (whether alone or in conjunction with other applications) does not comply with these requirements. The Company reserves the right to reject Applications in accordance with the terms and conditions set out in this Prospectus.

(g) Non-residents

The right to participate in the Offers is available exclusively to persons who were registered as holders of Shares at 7.00pm (AEDT) on the Record Date and whose registered address was in Australia or New Zealand. Eligible Shareholders who are not residents of Australia should consult their professional advisers as to whether any formalities need to be observed (either by them or the Company) to enable them to apply for Shares. It is the responsibility of such Eligible Shareholders to obtain all necessary approvals so they may legally apply for Shares.

The return of a completed Application Form and accompanying Application amount, or the forwarding of payment of the Application amount using BPAY® from a non-resident Eligible Shareholder will be taken by the Company to constitute a representation and warranty by that Eligible Shareholder that all relevant approvals have been obtained and that the Company may legally offer and issue the Shares to that Eligible Shareholder.

(h) Company's discretion with regard to Applications

As noted in the conditions of acceptance referred to in Section 5.1(i) below, the Company will not be accepting Applications under the SPP Offer from Eligible Shareholders that have disposed of any of their Shares during the Relevant Period.

In addition, the Company reserves the right to accept or reject any Application under the SPP, at its sole and absolute discretion, including where:

- (i) you are not making a BPAY® payment, your Application Form is incorrectly completed, incomplete or the Application is otherwise determined by the Company to be invalid;
- (ii) you make your payment by cheque or money order and the cheque or money order is dishonoured or has otherwise not been completed correctly;
- (iii) the amount of your BPAY® payment or cheque or money order is not equal to \$1,000, \$2,000, \$5,000, \$10,000, \$15,000, \$20,000, \$25,000 or \$30,000. If this occurs, the Company may:
 - (A) refund in full your Application monies and not allot any SPP Shares to you; or

- (B) allot you the number of SPP Shares that would have been allotted had you applied for the highest designated amount that is less than the amount of your payment and refund to you the excess of your Application monies (without interest);
- (iv) your Application Form, BPAY® payment or cheque or money order is received after 5.00pm (AEST) on Friday 1 May 2020;
- (v) payment of the Application monies is not submitted in Australian currency or, if payment is made by cheque or money order, the cheque or money order is not drawn on an Australian financial institution;
- (vi) the Company reasonably believes that you are not eligible to participate in the SPP (subject to compliance with any applicable ASIC or ASX requirements);
- (vii) the issue of those SPP Shares would contravene any law or the ASX Listing Rules;
- (viii) to accept the Application in full would have the effect of exceeding the maximum offer of SPP Shares under the SPP;
- (ix) it is not reasonably satisfied that the issue of those SPP Shares will not result in any person receiving Shares in the Company with an Application Amount totalling more than \$30,000 as a result of:
 - (A) Shares issued to the person or to a Custodian on that person's behalf (as a result of an instruction given by that person to the Custodian or a Downstream Custodian to apply for Shares on their behalf) under the SPP; and
 - (B) any other Shares in the Company issued to the person or to a Custodian on that person's behalf (as a result of an instruction given by that person to the Custodian or a Downstream Custodian to apply for Shares) under an arrangement similar to the SPP operated by the Company in the 12 months prior to the Application,
 except to the extent that the person is issued with SPP Shares or interests as a Custodian under a custodian offer;
- (x) the Applicant is a Custodian and has failed to provide the Company with a Custodian Certificate; or
- (xi) the Applicant has not otherwise complied with the terms and conditions set out in this Prospectus.

The allocation of SPP Shares will be determined by the Board at its sole discretion. The Board reserves the right to allocate fewer, or no, SPP Shares than an Eligible Shareholder applies for under the SPP, including, without limitation, in the event that the SPP is oversubscribed at its sole discretion and in accordance with Section 5.1(i).

In respect of Application monies received from an Eligible Shareholder, the Company will, prior to the Issue Date, determine the maximum number of SPP Shares rounded up to the nearest whole number which may be acquired by any Eligible Shareholder.

The Board may change or terminate the SPP at any time prior to the Issue Date. If the Board does so, it will advise the ASX. Any omission to give notice of changes

to, or termination of, the SPP, or the non-receipt of any such notice, will not invalidate the change or termination.

In addition to any rights of the Directors to reject Applications as set out above and without limiting the above, the Company may issue to any person fewer or no SPP Shares than the person applied for under the SPP if the issue of the SPP Shares applied for would contravene any applicable law or the ASX Listing Rules.

(i) Condition of acceptance and scale-back

Investors should note that the Company will only be accepting Applications under the SPP Offer from Eligible Shareholders that have not disposed of any of their Shares as between 9.00 am (AEST) on the SPP Offer Opening Date and 7.00 pm (AEST) on the SPP Offer Closing Date (**Relevant Period**).

Accordingly, the Company will be rejecting any Applications under the SPP Offer received from Eligible Shareholders that have disposed of any of their Shares during the Relevant Period.

Furthermore the Company may, at its absolute discretion, scale-back the number of SPP Shares that will be allotted to individual Applicants under the SPP Offer and in the manner it sees fit. In the event of a scale-back, the Company intends to prioritise allocations to Shareholders who have increased the number of Shares held during the Relevant Period.

Applicants acknowledge that the final determination of whether an Applicant has disposed of any Shares during the Relevant Period or whether an Applicant has increased their number of Shares held during the Relevant Period shall be determined by the Board in its absolute discretion. Furthermore notwithstanding anything in this Prospectus, the Board reserves the right to waive any condition imposed on the acceptance of Applications, which may be exercised in the Board's sole and absolute discretion.

If there is a scale-back you may receive less than the parcel of SPP Shares for which you have applied.

If a scale-back produces a fractional number of SPP Shares when applied to your parcel, the number of SPP Shares you will be allotted will be rounded up to the nearest whole number of SPP Shares.

If there is a scale-back, the difference between the Application monies received from you, and the number of SPP Shares allocated to you multiplied by the Offer Price, will be refunded to you in accordance with Section 5.3.

If there is a consolidation or re-organisation of the issued share capital of the Company prior to the Closing Date, the maximum number of Shares to be issued pursuant to and in accordance with the SPP shall be consolidated or re-organised (as the case may be) in the same ratio as the issued capital of the Company.

(j) Raise amount

While the Company is seeking to raise \$1 million (before costs) under the SPP Offer with the capacity to accept an additional \$1 million (before costs) pursuant to the Oversubscription, the Company reserves the absolute discretion to raise more than or less than this amount.

(k) Shortfall Shares

If the number of SPP Shares issued are less than the total number of SPP Shares offered under the SPP Offer (**Shortfall Shares**), the Shortfall Shares may be

placed at the discretion of the Directors pursuant to the Shortfall Offer, details of which are contained in Section 5.2.

5.2 Shortfall Offer

The Directors reserve the right to place any SPP Shares not taken up pursuant to the SPP Offer (**Shortfall Shares**).

The offer of the Shortfall Shares (**Shortfall Offer**) is a separate offer made pursuant to this Prospectus and will remain open for up to 3 months following the close of the SPP Offer. The Offer Price for Shortfall Shares shall be \$0.055 (5.5 cents) per Shortfall Share, being the price at which SPP Shares have been offered under the SPP Offer.

The allocation of Shortfall Shares will be at the absolute discretion of the Board and otherwise subject to compliance with the ASX Listing Rules. Accordingly, do not apply for Shortfall Shares unless instructed to do so by the Directors.

The Company may pay brokerage and other commissions in respect of any subscriptions procured in respect of the Shortfall Offer, as determined by the Board in its discretion.

5.3 Refund

If you are entitled to a refund of all or any of your Application monies the refund will be paid to you, without interest, as soon as is practicable:

- (a) by direct credit to your nominated bank account (as recorded by the Company's Share registry) or cheque; or
- (b) by returning your Application Form and cheque or money order, if not processed, to your registered address as recorded in the Company's register of members.

5.4 Effect of making an application

By making a BPAY® payment of the Application Amount or submitting an Application Form, together with the appropriate payment of the Application Amount, you will be deemed to have acknowledged, represented and warranted on behalf of each person on whose account you are acting that:

- (a) you certify, acknowledge, warrant and represent as true, correct and not misleading to the Company that if you are not a Custodian, the aggregate of the Application amount paid by you for:
 - (i) the SPP shares the subject of the Application Form or the BPAY® payment;
 - (ii) any other Shares applied for under a similar arrangement in the 12 months prior to the date of submission of the Application Form or making the BPAY® payment;
 - (iii) any other Shares issued to a Custodian (as a result of an instruction given by you to the Custodian or another Custodian to apply for Shares on your behalf) under the SPP or under any similar arrangement operated by the Company in the 12 months prior to the date of submission of the Application Form or making the BPAY® payment and which resulted in the holder holding beneficial interests in the Shares; and
 - (iv) any other Shares which you have instructed a Custodian to acquire on your behalf under the SPP,

does not exceed \$30,000. The \$30,000 limit applies irrespective of the number of Shares you hold on the Record Date.

The Company reserves the right to reject any application for SPP Shares to the extent it considers, or is reasonably satisfied, that the Application (whether alone or in conjunction with other Applications) does not comply with these requirements:

- (a) you are an Eligible Shareholder and you are not a person to whom it would be illegal to make an offer or issue of SPP Shares under the SPP;
- (b) you have read the terms and conditions set out in this Prospectus in full and you are deemed to have accepted the SPP Offer and you irrevocably and unconditionally acknowledge and agree to the terms and conditions of the SPP and the terms of the Application Form and agree not to do any act or thing that would be contrary to the spirit, intention or purpose of the SPP;
- (c) you declare that all statements in your Application Form are true and complete and not misleading;
- (d) you agree to pay the Offer Price per SPP Share up to the maximum of:
 - (i) the value you have selected on the Application Form; or
 - (ii) the maximum value of your BPAY® payment or cheque or money order;
- (e) as at 7.00pm (AEDT) on the Record Date, you were recorded on the Company's Share register as being a registered holder of Shares and having an address in Australia or New Zealand;
- (f) you authorise the Company (and its officers and agents) to correct any error or omission in your Application Form and to complete the Application Form by the insertion of any missing details;
- (g) you acknowledge that the Company may at any time determine that your Application Form is valid, in accordance with the terms and conditions set out in this Prospectus, even if the Application Form is incomplete, contains errors or is otherwise defective;
- (h) you agree that where you have previously provided the Company or the Share Registry with bank account details, any refund to be paid to you under these terms and conditions may be direct credited in that nominated account;
- (i) you accept the risk associated with any refund that may be sent to you by direct credit or cheque to your address shown on the Company's Share register;
- (j) you acknowledge that no interest will be paid on any Application monies held pending the allotment of SPP Shares or subsequently refunded to you for any reason;
- (k) you are responsible for any dishonour fees or other costs the Company may incur in presenting a cheque for payment which is dishonoured;
- (l) you agree to be bound by the Constitution;
- (m) you acknowledge that the Company has not provided you with investment advice or financial product advice, and that it does not have any obligation to provide this advice, concerning your decision to apply for and buy SPP Shares under the SPP;
- (n) you acknowledge that the Company is not liable for any exercise or non-exercise of its discretions referred to in this Prospectus;
- (o) you are noted in the USA (including nominees or custodians acting for the account or benefit of a person in the USA) and are not otherwise a person to whom it would

be illegal to make an offer or issue SPP Shares under the SPP, other than if you are or are acting for an investor who purchases the SPP Shares in transactions exempt from, or not subject to, the registration requirements of the USA Securities Act and applicable USA state securities law;

- (p) you acknowledge that the SPP Shares have not been, and will not be, registered under the USA Securities Act or under the laws of any other jurisdiction outside of Australia; and
- (q) you have not and will not send any materials relating to the SPP to any person in the USA, or any other country outside Australia and New Zealand, or to any person (including nominees or custodians) acting for the account or benefit of a person in the USA unless such person is an investor who purchases the SPP Shares in transactions exempt from, or not subject to, the registration requirements of the USA Securities Act and applicable USA state securities law.

5.5 SPP Shares and Shortfall Shares

- (a) Shares issued under the Offers will rank equally in all respects with existing Shares quoted on the ASX, with the same voting rights, dividend rights and other entitlements. A summary of the rights attaching to the Shares offered by this Prospectus is set out in Section 7.
- (b) The Company will apply for the Shares issued under the Offers to be quoted on the ASX.

5.6 No transaction costs

Eligible Shareholders who participate in the SPP Offer will not pay any brokerage, commissions or other transaction costs in respect of the issue and allotment of SPP Shares.

5.7 Timetable

- (a) Subject to Section 5.7(b), the indicative timetable for the key events relating to the Offers (**Timetable**) is as set out in Section 3 .
- (b) The Company may, at its discretion, vary any of the dates in the Timetable or in these terms and conditions in accordance with the Corporations Act and ASX Listing Rules.

5.8 ASX quotation

Whilst the Company will apply for Official Quotation of the SPP Shares on ASX within seven days of the date of the Prospectus, in the event that quotation of the SPP Shares are not granted by ASX within three months of the date of the Prospectus (or any further extension in reliance on ASIC Corporations (Minimum Subscription and Quotation Conditions) Instrument 2016/70 which will include withdrawal rights to investors) then any issue of SPP Shares will be void and the Company will refund all Application monies to Applicants without interest.

The fact that ASX may grant Official Quotation to the SPP Shares is not to be taken in any way as an indication of the merits of the Company or the SPP Shares.

5.9 Allotment and holding statements

SPP Shares issued pursuant to the SPP Offer will be issued in accordance with the ASX Listing Rules and the Timetable.

The Company anticipates issuing the SPP Shares subscribed for under the SPP Offer on 8 May 2020.

Holding statements for SPP Shares granted under the SPP Offer will be mailed as soon as reasonably practicable after the SPP Shares are allotted, and to the extent possible, in accordance with the Timetable.

5.10 Minimum subscription

There is no minimum subscription under the SPP Offer. The minimum parcel of SPP Shares which an Eligible Shareholder may apply for under the SPP Offer is \$1,000, being 18,182 Shares.

5.11 Oversubscription

The Company reserves the right to accept oversubscriptions under the SPP Offer of up to an additional \$1 million (before costs) by the issue of up to an additional 18,181,819 Shares at the Offer Price of \$0.055 (5.5 cents) per Share (**Oversubscription**).

5.12 Clearing House Electronic Sub-Register System (CHES) and Issuer Sponsorship

The Company will not be issuing Share certificates. The Company is a participant in CHES, for those investors who have, or wish to have, a sponsoring stockbroker. Investors who do not wish to participate through CHES will be issuer sponsored by the Company. Because the sub-registers are electronic, ownership of securities can be transferred without having to rely upon paper documentation.

Instead of Share certificates, investors will be provided with a holding statement that sets out the number of Shares allotted to them under this Prospectus. The notice will also advise holders of their Holder Identification Number or Security Holder Reference Number.

5.13 Dispute resolution

The Company may settle in any manner it thinks fit, any difficulties, anomalies or disputes that may arise in connection with or by reason of the operation of the SPP, whether generally or in relation to any participant or application. Any determinations by the Company will be conclusive and binding on all Eligible Shareholders and other persons to whom the determination relates. The Company's rights may be exercised by its board or any delegate of the board.

5.14 Variation, suspension and termination

The Opening Date and Closing Date for the Offers are indicative only and subject to change without notice. The Company may vary these dates, including to close any Offers early, extend the Closing Date for any Offer or to withdraw any Offer at any time prior to issue. If any of the dates are changed, subsequent dates may also change. You are encouraged to lodge your Application Form as soon as possible after the Opening Date.

The Company may at its discretion and at any time:

- (a) vary, suspend or terminate the SPP Offer. If the Company does this, it will make an announcement to the ASX (in addition to any other requirements under the Corporations Act). Failure to notify Shareholders of variations to or the suspension or termination of the SPP Offer will not invalidate the variation, suspension or termination; or
- (b) to the extent permitted by law, waive compliance with any provision of the SPP Offer or these terms and conditions.

The Company reserves the right to issue no SPP Shares under the SPP or fewer SPP Shares than applied for at its complete discretion, including if the Company believes the issue of those SPP Shares would contravene ASIC requirements or policy, any law or any ASX Listing Rule.

5.15 Withdrawal

Subject to the Corporations Act, the ASX Listing Rules and any other requirements of ASX or the law, the Directors may decide to withdraw this Prospectus and the Offers at any time prior to the allotment of the Shares or to waive strict compliance with any provision of the terms and conditions of the Offers.

5.16 Underwriting

The Offers are not underwritten.

5.17 Enquiries

Any questions concerning the Offers should be directed to the Company on 1300 850 505 from 9.00am to 5.00pm (AEST), Monday to Friday.

6. Purpose and effect of the Offers

6.1 The Offers

As announced on 26 March 2020, the Company has recently completed a placement to raise of approximately to raise approximately \$2 million (before costs) (**Placement**).

The Placement is comprised of approximately \$1.6 million (before costs) raised from sophisticated and professional investors (**Placement Investors**) by the issue of 28,181,818 Shares (**Placement Investor Shares**) at an issue price of \$0.055 (5.5 cents) per Share. As announced by the Company on 3 April 2020, the Placement Investors Shares along with an additional 629,768 Shares issued to various parties in consideration for introductory services provided in connection with the Placement (**Consultant Shares**) were issued on 3 April 2020.

The remaining amount of approximately \$0.4 million (before costs) raised under the Placement has been contributed by the Directors and the Company Secretary, applying for Shares at an issue price of \$0.055 (5.5 cents) per Share, whereby the issuance of shares to the Directors and the Company Secretary for such investment (**Director Placement Shares**) will be subject to the Company obtaining Shareholder approval at the EGM in accordance with the ASX Listing Rules.

In conjunction with the Placement, the Company is offering to Eligible Shareholders the opportunity to participate in the SPP to acquire up to \$30,000 worth of Shares per Eligible Shareholder (**SPP Offer**). If the number of SPP Shares issued are less than the total number of SPP Shares offered under the SPP Offer (**Shortfall Shares**), the Shortfall Shares may be placed at the discretion of the Directors pursuant to the Shortfall Offer, details of which are contained in Section 5.2

6.2 Purpose of this Prospectus

This Prospectus has been issued for the purposes of enabling the SPP Offer to be made to all Eligible Shareholders and to the extent it relates to the SPP Offer and the Shortfall Offer, to enable the SPP Shares and the Shortfall Shares issued to be on-sold without disclosure.

In addition, the purpose of this Prospectus is to remove any trading restrictions that may be applicable to the Placement Investor Shares and the Consultant Shares, which were issued without disclosure under Chapter 6D of the Corporations Act.

The offer and issue of the Placement Investor Shares and the Consultant Shares have been undertaken without disclosure under Part 6D of the Corporations Act, to investors who were considered sophisticated investors, professional investors or other investors who were exempt from disclosure pursuant to section 708 of the Corporations Act.

Similarly, subject to obtaining Shareholder approval at the EGM, the offer and issue of the Director Placement Shares to the Directors and the Company Secretary under the Placement will be undertaken without disclosure under Part 6D of the Corporations Act.

Generally, section 707(3) of the Corporations Act requires that a prospectus is issued in order for a person to whom securities were issued without disclosure under Part 6D of the Corporations Act to on-sell those securities within 12 months of the date of their issue.

Relevantly, section 708A(11) of the Corporations Act provides an exemption from this general requirement and states that a sale offer does not need disclosure to investors if:

- (a) the relevant securities are in a class of securities that are quoted securities of the body; and

- (b) either:
 - (i) a prospectus is lodged with ASIC on or after the day on which the relevant securities were issued, but before the day on which the sale offer is made; or
 - (ii) a prospectus is lodged with ASIC before the day on which the relevant securities are issued and offers of securities that have been made under the prospectus are still open for acceptance on the day on which the relevant securities were issued; and
- (c) the prospectus is an offer of securities issued by the body that are in the same class of securities as the relevant securities.

Accordingly, an additional purpose of this Prospectus is:

- (a) to comply with section 708A(11) of the Corporations Act so that the Placement Investor Shares and the Consultant Shares may be sold within the next twelve months without the issue of a prospectus. The issue of the Placement Investor Shares and the Consultant Shares have not been undertaken by the Company with the purpose of the Placement Investors or the holders of the Consultant Shares selling or transferring those Shares. However, the Directors consider that the Placement Investors and the holders of the Consultant Shares should be able to sell them should they wish to do so, without being required to issue a prospectus; and
- (b) to comply with section 708A(11) of the Corporations Act so that, subject to obtaining Shareholder approval at the EGM, the Director Placement Shares to be issued to Directors and the Company Secretary under the Placement may be sold within the next twelve months without the issue of a prospectus. The proposed issue of the Director Placement Shares is not being undertaken by the Company with the purpose of the Directors selling or transferring those Shares. Subject to obtaining Shareholder approval at the EGM, the Director Placement Shares are intended to be issued prior to the Shortfall Offer Closing Date.

6.3 Purpose of the Offers

The purpose of the SPP Offer is to provide Eligible Shareholders the opportunity to subscribe for up to \$30,000 of SPP Shares on the same subscription price and terms as those offered to Placement Investors under the Placement.

However as noted in the conditions of acceptance of Applications in Section 5.1(i) of this Prospectus, the Company will not be accepting Applications under the SPP Offer from Eligible Shareholders that have disposed of any of their Shares during the Relevant Period.

Pursuant to its recent capital raising initiatives, the Company is targeting to raise \$1 million (before costs) under the Offers, with the ability to accept the Oversubscription of up to an additional \$1 million (before costs) (whether through the SPP Offer or subsequently under the Shortfall Offer), while an additional \$2 million (before costs) will be raised under the Placement (subject to receiving Shareholder approval at the EGM for the issue of the Director Placement Shares).

The combined proceeds raised under the Offers and the Placement will be invested in strategic initiatives such as product and clinical development, manufacturing, sales and marketing of the Company's proprietary wheezo® respiratory eHealth SaaS platform and medical device, a unique asthma management care that extends beyond physician care in the clinic and empowers the patient. The additional working capital will enable the continued growth of the Company's current products alongside its future products.

The Company has also conducted the SPP Offer to reward its existing Shareholders for their continued support of the Company.

The proceeds from the Offers and Placement (assuming that Shareholder approval is obtained at the EGM for the issue of the Director Placement Shares) are proposed to be allocated in the following manner, assuming \$1 million (before costs) is successfully raised under the Offer (whether through the SPP Offer or subsequently under the Shortfall Offer), or where the Oversubscription is fully subscribed; an amount of \$2 million (before costs) is raised under the Offer (whether through the SPP Offer or subsequently under the Shortfall Offer):

Source of proceeds	SPP Offer	Oversubscription
Placement	\$2,000,000	\$2,000,000
SPP Offer	\$1,000,000	\$2,000,000
Total proceeds	\$3,000,000	\$4,000,000
Proposed use of funds	SPP Offer	Oversubscription
wheezo® product development costs	\$400,000	\$400,000
Clinical development costs	\$300,000	\$300,000
Manufacturing costs	\$500,000	\$500,000
Sales and marketing costs	\$500,000	\$500,000
Regulatory and administrative costs	\$200,000	\$200,000
Working capital	\$1,022,098	\$2,018,942
Costs of the Offers	\$77,902	\$81,058
Total use of funds	\$3,000,000	\$4,000,000

If the Company raises less than \$1 million (before costs) or where the Company seeks to raise the Oversubscription; \$2 million (before costs), then the proposed allocation of proceeds from the Offers and the Placement referred to above may be reduced proportionately in the Company's sole and absolute discretion.

6.4 Effect of the Offer

The principal effect of the Offers:

- assuming that \$1 million (before costs) is raised under the Offers (whether through the SPP Offer or subsequently under the Shortfall Offer), will be to increase the number of Shares on issue by approximately 18,181,819 Shares and to increase the Company's cash reserves by up to \$1 million (before costs); and
- assuming the Oversubscription is achieved and \$2 million (before costs) is raised under the Offers (whether through the SPP Offer or subsequently under the Shortfall Offer), will be to increase the number of Shares on issue by approximately 36,363,637 Shares and to increase the Company's cash reserves by up to \$2 million (before costs).

The table below sets out the effect on the share capital structure of the Company upon completion of the Offers assuming \$1 million (before costs) is successfully raised under the Offers (whether through the SPP Offer or subsequently under the Shortfall Offer), or where the Oversubscription is fully subscribed; an amount of \$2 million (before costs) is raised under the Offers (whether through the SPP Offer or subsequently under the Shortfall Offer):

Shares	SPP Offer	Oversubscription
Shares on issue as at the date of Prospectus ^{1, 2}	586,309,326	586,309,326
New Shares to be issued under SPP	18,181,819	36,363,637
Total	604,491,145³	622,672,963³

Notes:

1. This includes 29,421,460 Placement Investor Shares and 629,768 Consultant Shares issued on 3 April 2020 and as announced to the ASX on 3 April 2020.
2. This assumes no existing Options are exercised prior to the Record Date.
3. In addition to these Shares, subject to obtaining Shareholder approval at the EGM, the Company intends to issue an additional 7,697,271 Director Placement Shares to its Directors and the Company Secretary.

Fully diluted capital structure

The table below sets out the fully-diluted capital structure of the Company upon completion of the Offers assuming:

- (a) \$1 million (before costs) is successfully raised under the Offers (whether through the SPP Offer or subsequently under the Shortfall Offer), or where the Oversubscription is fully subscribed; an amount of \$2 million (before costs) is raised under the Offers (whether through the SPP Offer or subsequently under the Shortfall Offer);
- (b) all Options are exercised; and
- (c) Shareholder approval is obtained for the issue of the Director Placement Shares.

	SPP Offer	Oversubscription
Shares on issue as at the date of Prospectus ¹	586,309,326	586,309,326
New Shares to be issued under SPP	18,181,819	36,363,637
Other Options on issue ^{2, 3}	19,000,000	19,000,000
Director Placement Shares ⁴	7,697,271	7,697,271
KMP Options ⁵	152,500,000	152,500,000
Total Shares (on a fully diluted basis)	783,688,416	801,870,234

Notes:

1. *This includes 29,421,460 Placement Investor Shares and 629,768 Consultant Shares issued on 3 April 2020 and as announced to the ASX on 3 April 2020.*
2. *Upon the exercise of such Options, the Company will receive additional capital of \$1,020,000 from the exercise price payable by the respective holders of the Options in order to exercise the relevant Options.*
3. *This figure includes 14 million Options held by the Company's former directors, for which the Company has obtained legal advice, were not validly issued in accordance with section 200E of the Corporations Act. Accordingly, the Company will be seeking Shareholder approval at the EGM for the 14 million options in accordance with Part 2D.2 of the Corporations Act.*
4. *The issue of these Shares is subject to the Company obtaining Shareholder approval at the EGM.*
5. *These represent Options which the Company is seeking Shareholder approval for at the EGM to issue to the Company's directors and senior management. Upon the exercise of such Options, the Company will receive additional capital of approximately \$32.95 million from the exercise price payable by the respective holders of the Options in order to exercise the relevant Options.*

6.5 Terms of Shares

A summary of the rights attaching to the Shares offered by this Prospectus is set out in Section 7.

6.6 Pro-forma Balance Sheet

The reviewed balance sheet for the Company as at 31 December 2019, as per the half yearly report for the part financial year (1 July 2019 to 31 December 2019), and the unaudited and unreviewed pro-forma balance sheet shown below, has been prepared on the basis of the accounting policies normally adopted by the Company and reflect the changes to its financial position.

The pro-forma balance sheet has been prepared on the basis of the following key assumptions (as if they had occurred as at the balance date of 31 December 2019):

- (a) an amount of \$2 million (before costs) is raised under the Placement;
- (b) an amount of \$1 million (before costs) is successfully raised under the Offers (whether through the SPP Offer or subsequently under the Shortfall Offer), or where the Oversubscription is fully subscribed; an amount of \$2 million (before costs) is successfully raised;
- (c) no existing Options are exercised prior to the Record Date; and
- (d) the Company incurs the costs of the Offers referred to in Section 9.11.

The pro-forma balance sheet has been prepared to provide investors with information on the assets and liabilities of the Company and pro-forma assets and liabilities of the Company as noted below. The historical and pro-forma financial information is presented in an abbreviated form, insofar as it does not include all of the disclosures required by Australian Accounting Standards applicable to annual financial statements.

	REVIEWED 31 DEC 2019	PROFORMA ¹ 31 DEC 2019	
		SPP Offer	Oversubscription
ASSETS			
Current Assets			
Cash and cash equivalents	1,091,381	3,903,479	4,900,323
Trade and other receivables	118,843	118,843	118,843
Other	84,819	84,819	84,819
TOTAL CURRENT ASSETS	1,295,043	4,107,141	5,103,985
Non-Current Assets			
Property, plant and equipment	9,558	9,558	9,558
Other assets	1,216	1,216	1,216
TOTAL NON-CURRENT ASSETS	10,774	10,774	10,774
TOTAL ASSETS	1,305,817	4,117,915	5,114,759
LIABILITIES			
Current Liabilities			
Trade and other payables	1,225,237	1,225,237	1,225,237
Other financial liabilities	12,912	12,912	12,912
Other borrowings	482,314	482,314	482,314
TOTAL CURRENT LIABILITIES	1,720,463	1,720,463	1,720,463
			1,720,463
TOTAL LIABILITIES	1,720,463	1,720,463	1,225,237
NET ASSETS	(414,646)	2,397,452	3,394,296
EQUITY			
Issued capital ²	108,819,290	111,631,388	112,628,232
Reserves	1,167,398	1,167,398	1,167,398
Accumulated losses	(110,401,334)	(110,401,334)	(110,401,334)
TOTAL EQUITY	(414,646)	2,397,452	3,394,296

Notes:

1. These figures reflect an amount of \$2 million (before costs) being raised under the Placement.
2. Included in pro forma amounts of issued capital is \$110,000 of transactions costs associated with the Placement as well as the costs of the Offers set out in section 9.11 of this Prospectus.

7. Rights and liabilities attaching to Shares

A summary of the key rights attaching to the Shares is set out below. The provisions of the Constitution relating to the rights attaching to the Shares must be read subject to the Corporations Act, the ASX Listing Rules and ASX Settlement Operating Rules. This summary is not intended to be exhaustive and does not constitute a definitive statement of the rights, liabilities and restrictions attaching to the Shares.

(a) **General meetings**

Each shareholder has the right to receive notice of and to attend all general meetings of the Company whether or not entitled to vote.

(b) **Voting rights**

At a general meeting, each shareholder in person or by proxy, attorney or representative is entitled to one vote on a show of hands.

On a poll, every member present will, in respect of each fully paid Share held by them, have one vote for the Share.

(c) **Dividend rights and dividend policy**

Subject to the Corporations Act, the Company's constitution and the terms of issue of shares, the Directors may pay any dividend it thinks appropriate and fix the time for payment.

(d) **Rights on winding-up**

In winding up, the liquidator may, with the sanction of a special resolution divide the assets of the Company among the shareholders and decide how the division may be carried out between shareholders and different classes of shareholders.

(e) **Offer of shares**

Subject to the Corporations Act, the ASX Listing Rules and the Company's constitution, the directors may issue, grant options over or otherwise dispose of unissued shares, to any person on the terms, with the rights, and at the times that the Board decides.

(f) **Variation of rights**

If at any time the share capital of the Company is divided into different classes of shares, the rights attached to any class (subject to the Corporations Act, the terms of issue of shares and the rights attached to a class of shares are not treated as varied by the issue of further shares of that class) may be varied or cancelled with the consent in writing of the holders of a three quarters majority of the issued shares of that class, or if authorised by a special resolution passed at a meeting of the holders of the shares of the class.

(g) **Constitution**

A summary of the key provisions of the Constitution is set out below.

(i) **Transfer of Shares**

Subject to the Constitution, a Shareholder may transfer any of the Shareholder's Shares by way of:

- (A) a market transfer whereby the Company may do anything permitted by the Corporations Act, the ASX Listing Rules and the ASX Settlement Operating Rules that the Directors consider necessary for the Company's participation in a computerised or electronic system for the purpose of facilitating dealings in shares; or
- (B) by written document transfer.

The Directors may decline to register a transfer of Shares in accordance with the ASX Listing Rules and the ASX Settlement Operating Rules:

- (A) subject to section 259C of the Corporations Act, if the transfer is to a subsidiary of the Company; and
- (B) if the transfer does not comply with the Corporations Act, the ASX Listing Rules or the ASX Settlement Operating Rules.

(ii) **Quorum at general meetings**

A quorum at a general meeting consists of two voting Shareholders present.

(iii) **Chairman – meeting of members**

In the case of an equality of votes at a meeting of members the chairman has a casting vote whether or not the chairman is a member.

(iv) **Directors – appointment and removal**

Subject to the Constitution, and the number of Directors fixed under the Constitution not being exceeded, the Company may appoint Directors by ordinary resolution.

(v) **Remuneration of Directors**

Subject to any contract with the Company and to the ASX Listing Rules, the Board may fix the remuneration paid to each executive Director. Directors, other than executive Directors, are entitled to be paid out of the funds of the Company an amount that does not any year exceed in aggregate the amount last fixed by ordinary resolution and allocated among them on an equal basis.

(vi) **Dividends**

Subject to section 254T the Corporations Act, the Directors may declare and authorise the distribution, from the profits of the Company, of dividends to be distributed to Shareholders according to their rights and interests.

8. Risk factors

The business activities of the Company are subject to risks and there are many risks which may impact on the Company's future performance. Some of these risks can be mitigated by the use of safeguards and appropriate systems and controls, but many are outside of the control of the Company and cannot be mitigated. There are also general risks associated with any investment. Investors should consider all of these risks before they make a decision whether or not to acquire Shares.

The Shares offered under this Prospectus are considered speculative. An investment in the Company is not risk free and the Directors strongly recommend that potential investors consider the risk factors described below, together with information contained elsewhere in this Prospectus and to consult their professional advisers before deciding to apply for the Shares pursuant to this Prospectus.

The principal risk factors include, but are not limited to, the following.

8.1 Company-specific risks

Specific risks that may impact significantly on the Company, its performance and the price of its Shares include:

- (a) The overall performance of management and the ability of the Directors and senior management to manage business operations.
- (b) The loss of one or more of the Company's key managers or executives.
- (c) Medical device R&D involves scientific uncertainty and long lead times and there is no certainty that any particular event will occur within a set period or by a certain date.
- (d) Due to the significant costs in medical device development it is common for medical device companies to partner with larger medical device or medical equipment manufacturing companies to help progress development of a medical device. Partnering can potentially reduce the development and commercial risk for a small medical device company by involving an experienced or a larger established medical device manufacturer and/or medical device marketing company in the medical device's development and commercialisation, however there is no guarantee that such arrangements will lead to the successful commercialisation of products, as a larger partner may not have the same motivation as the Company to quickly advance the product through clinical trials and commercialization.
- (e) Intense competition exists in the medical device and mobile health app industries. The risk exists that one or more of the competitive products in development now or in the future may prove more efficacious, safer, more cost effective or more acceptable to patients than the Company's product.
- (f) Medical device R&D and commercialisation activities generally require a high level of funding over a long period of time. There is no guarantee that substantial additional funding will not be required to complete the development and commercialisation of the Company's medical devices.
- (g) Obtaining, securing and maintaining rights to technology and patents are an integral part of securing potential product value in the outcomes of medical device R&D. Competition in retaining and sustaining protection of technology and the complex nature of technologies can lead to patent disputes.

- (h) The Company's business exposes it to potential product liability risks which are inherent in R&D, preclinical studies, clinical trials, manufacturing, marketing and use of medical device products in and with humans.
- (i) As noted in Section 9.1 of this Prospectus, a claim has been made against the Company by its former CEO and the Company may commence legal proceedings against a key digital services provider for amounts which the Company alleges were overpaid and/or for which no services were received from the digital services provider. Accordingly, the Company is exposed to litigation risks arising from the claim made by its former CEO and any such claim or dispute, if proven, may impact adversely on the Company's operations, financial performance and financial position.

Furthermore, while the Company will be seeking to recover amounts owed to it in relation to any potential legal proceeding the Company may commence against the digital services provider, there is no guarantee that such claim will be successful or even if such claim is ruled in favour of the Company, that the digital services provider will have sufficient recoverable funds to satisfy amounts owing to the Company. Additionally, while Shareholder approval is being sought at the EGM pursuant to Part 2D.2 of the Corporations Act, for the issue of 14 million options to its former directors, there is a risk that such former directors may commence legal proceedings against the Company if the relevant Shareholder approval is not obtained at the EGM.

In any event, as the defence or commencement of any legal proceedings is likely to divert the resources and/or attention of the Company's management, there is risk that the Company's operations, financial performance and/or financial position may be adversely affected.

The above risks should not be taken to be exhaustive of the risks faced by the Company or its shareholders. Those risk factors, and others not specifically referred to above, may materially affect the financial performance of the Company and the value of its Shares in the future.

8.2 General risks

(a) Economic

Factors such as inflation, currency fluctuation, interest rates and supply and demand have an impact on operating costs, and stock market prices. The Company's future revenues and prices of its securities may be affected by these factors, which are beyond the Company's control.

(b) Changes in legislation and government regulation

Government legislation in Australia or any other relevant jurisdiction, including changes to the taxation system, may affect future earnings and relative attractiveness of investing in the Company. Changes in government policy or statutory changes may affect the Company and the attractiveness of an investment in it.

(c) Global credit investment market

Global credit, commodity and investment markets have recently experienced a high degree of uncertainty and volatility. The factors which have led to this situation have been outside the control of the Company and may continue for some time resulting in continued volatility and uncertainty in world stock markets (including the ASX). This may impact the price at which the Company's securities trade regardless of operating performance and affect the Company's ability to raise additional equity and/or debt to achieve its objectives, if required.

(d) **Exchange rate risk**

If the Australian dollar falls in relation to the exchange rate where the product or service is sourced from, then since the Company's financial statements are prepared in Australian dollars, this may impact its performance and position.

(e) **Unforeseen risk**

There may be other risks which the Directors are unaware of at the time of issuing this Prospectus which may impact on the Company, its operations and/or the valuation and performance of the Company's securities.

(f) **Combination of risk**

The Company may not be subject to a single risk. A combination of risks, including any of the risks outlined in this Section 8 could affect the performance valuation, financial performance and prospects of the Company.

(g) **Unforeseen expenditure risk**

Expenditure may need to be incurred that has not been taken into account in the preparation of this Prospectus. Although the Company is not aware of any additional expenditure requirements other than those announced on the ASX and disclosed in this Prospectus, if such expenditure is subsequently incurred, this may adversely affect the expenditure proposals of the Company.

(h) **Market conditions**

Equities market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. Equities market conditions are affected by many factors such as:

- (i) general economic outlook;
- (ii) introduction of tax reform or other new legislation;
- (iii) interest rates and inflation rates;
- (iv) changes in investor sentiment toward particular market sectors;
- (v) the demand for, and supply of, capital; and
- (vi) terrorism or other hostilities.

The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and biotechnology stocks in particular. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

(i) **Additional requirements for capital**

The Company's capital requirements depend on numerous factors. Depending on the Company's ability to generate income from its operations, the Company may require further financing in addition to amounts raised under the Offers. Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations and may be prevented from progressing the commercialisation of its products. There is however no guarantee that the

Company will be able to secure any additional funding or be able to secure funding on terms favourable to the Company.

(j) **Speculative investment**

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the securities offered under this Prospectus.

Therefore, the Shares to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those securities.

Potential investors should consider that an investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for securities pursuant to this Prospectus.

9. Additional information

9.1 Litigation

Having recently completed a comprehensive review the payments that it has made to a key digital services provider, the Company has identified various instances where the amounts invoiced by the digital services provider related to works which exceeded the agreed scope and quantum and other instances where services which were paid for were not delivered by the Service Provider. The Company is therefore exploring avenues to enforce its rights against the Service Provider which may include commencing legal proceedings against the Service Provider to recover amounts overpaid and amounts for which no services were delivered.

Additionally, while Shareholder approval is being sought at the EGM pursuant to Part 2D.2 of the Corporations Act, for the issue of 14 million options to its former directors, there is a risk that such former directors may commence legal proceedings against the Company if the relevant Shareholder approval is not obtained at the EGM.

Other than as noted above, with the exception of the claim made by the Company's previous CEO (announced on ASX on 27 February 2020) as at the date of this Prospectus the Company is not involved in any legal proceedings and the Directors are not aware of any legal proceedings pending or threatened against the Company which are likely to have a material adverse effect on the business or financial position of the Company.

9.2 Continuous disclosure obligations

The Company is a 'disclosing entity' (as defined in section 111AC of the Corporations Act) for the purposes of section 713 of the Corporations Act and, as such, is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Company's securities.

This Prospectus is a 'transaction specific prospectus'. In general terms a 'transaction specific prospectus' is only required to contain information in relation to the effect of the issue of securities on a Company and the rights attaching to the securities. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing Company.

This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been provided to ASX and does not include all of the information that would be included in a Prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest.

The Company, as a disclosing entity under the Corporations Act states that:

- (a) it is subject to regular reporting and disclosure obligations;
- (b) copies of documents lodged with ASIC in relation to the Company may be obtained from, or inspected at, the offices of ASIC; and
- (c) it will provide a copy of each of the following documents, free of charge, to any person on request between the date of issue of this Prospectus and the Closing Date:
 - (i) the annual financial report most recently lodged by the Company with ASIC, being the financial report for the year ending 30 June 2019;

- (ii) half-year financial report lodged by the Company with ASIC on 31 December 2019; and
- (iii) any continuous disclosure documents given by the Company to ASX after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with ASIC.

Copies of all documents lodged with ASIC in relation to the Company can be inspected at the registered office of the Company during normal office hours.

Details of documents lodged by the Company with ASX since the date of lodgement of the Company's latest full year statutory accounts and before the lodgement of this Prospectus with ASIC are set out in the table below.

Date	Description of announcement
6 April 2020	Appendix 2A
6 April 2020	Update – Proposed issue of Securities – RSH
3 April 2020	Proposed issue of Securities – RSH
26 March 2020	Placement completed
19 March 2020	Voluntary Suspension
17 March 2020	Placement – investor presentation
16 March 2020	Trading Halt
11 March 2020	wheelz to China
5 March 2020	First batch of wheelz delivered
25 February 2020	Claim by previous CEO
27 February 2020	Bi-monthly update
19 February 2020	Half Yearly Report and Accounts
19 February 2020	Change of Director's Interest Notice
19 February 2020	Change of Director's Interest Notice
17 February 2020	Change of Director's Interest Notice
13 February 2020	Update on the new CEO
13 February 2020	Change of Director's Interest Notice
12 February 2020	Initial Director's Interest Notice
12 February 2020	Director Appointment
11 February 2020	Final Director's Interest Notice
11 February 2020	Director Resignation

Date	Description of announcement
4 February 2020	Audio recording available
31 January 2020	Appendix 4C – quarterly
31 January 2020	World class team
30 January 2020	FDA update
29 January 2020	FDA submission to be lodged
20 January 2020	SaaS company overview
9 January 2020	Investor conference call
20 December 2019	Cancellation of shares and options
13 December 2019	SaaS model and First 500 devices
10 December 2019	CE Mark, manufacturer & clinical study agreement
9 December 2019	Appendix 3B – shares to ex-director following AGM approval
5 December 2019	Changes in substantial holding (prior year)
28 November 2019	Change of Director's Interest Notice
27 November 2019	Initial Director's Interest Notice
26 November 2019	Results of 2019 Annual General Meeting
25 November 2019	Chairman's Address to Shareholders
25 November 2019	Director Resignation
25 November 2019	Director and CEO Appointment
15 November 2019	Extraordinary General Meeting request withdrawn
15 November 2019	Final Director's Interest Notice
15 November 2019	Change of Chairman
14 November 2019	App 4G & Corporate Governance Statement
13 November 2019	Annual Report updated to include shareholder information
6 November 2019	Initial Director's Interest Notice
30 October 2019	Appointment of new director
30 October 2019	Request to convene general meeting received
29 October 2019	Update regarding departure of CEO
25 October 2019	Appendix 4C- quarterly

Date	Description of announcement
25 October 2019	Notice of Annual General Meeting
9 October 2019	CEO leaving
7 October 2019	Shareholder update – wheezo
20 September 2019	Medical trial in India update

The announcements are also available through the Company's website www.respiri.co.

9.3 Market price of Shares

The Company is a disclosing entity for the purposes of the Corporations Act and its Shares are enhanced disclosure securities quoted on the ASX.

The highest, lowest and last market closing prices of the Shares on the ASX during the three months immediately preceding the date of lodgement of this Prospectus with ASIC and the respective dates of those sales were:

Shareholder	Share Price	Date
Highest	\$0.096	31 December 2019, 2 January 2020
Lowest	\$0.068	28 February 2020
Last	\$0.074	16 March 2020

The Offer Price of \$0.055 represents a discount of 25.6% to the last market price of Shares on 16 March 2020, being the last Trading Day before lodgement of this Prospectus.

9.4 Substantial Shareholders

Based on publicly available information, as at the date of this Prospectus, those persons which (together with their associates) have a relevant interest in 5% or more of the Shares on issue are set out below:

Shareholder	Shares	%
Investment Holdings Pty Ltd <Investment Holdings Unit A/C>	72,008,027	12.28%

9.5 Effect on control of the Company

The Offers are not anticipated to have an effect on control of the Company as the maximum number of 36,363,637 Shares that may be issued pursuant to the Offer, (assuming the Oversubscription is achieved and \$2 million (before costs) is raised under the Offers (whether through the SPP Offer or subsequently under the Shortfall Offer), represents approximately 5.84% of the issued capital of the Company (following the issue of the relevant Shares) and each Eligible Shareholder may only apply for a maximum of \$30,000 of SPP Shares.

9.6 Interests of Directors

Other than as set out below or elsewhere in this Prospectus, no Director or proposed Director holds, or has held within the two years preceding lodgement of this Prospectus with ASIC, any interest in:

- (a) the formation or promotion of the Company;
- (b) any property acquired or proposed to be acquired by the Company in connection with:
 - (i) its formation or promotion; or
 - (ii) the Offers; or
- (c) the Offers,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to a Director or proposed Director:

- (d) as an inducement to become, or to qualify as, a Director; or
- (e) for services provided in connection with:
 - (i) the formation or promotion of the Company; or
 - (ii) the Offers.

9.7 Security holdings of Directors

The relevant interest of each of the Directors in the securities of the Company as at the date of this Prospectus is set out in the table below.

Director	Shares	% of Total Shares	Options
Mr Nicholas Smedley	7,271,699 ^{1, 2}	1.24%	Nil
Mr Marjan Mikel	824,938 ³	0.14%	Nil
Dr Thomas George Duthy	200,000 ^{4, 5}	0.03%	Nil

Notes:

1. This is comprised of 621,700 Shares held by Mr Nicholas Smedley directly as well as his indirect interest in 6,649,999 Shares comprising 1,649,999 Shares held by More Investment Group Pty Ltd <Bear Super Fund> and 5,000,000 Shares held by Matriarch Rock Pty Ltd <P.J. Smedley Super Fund>.
2. In addition to such Shares, subject to obtaining Shareholder approval at the EGM for the issue of the Director Placement Shares, Mr Nicholas Smedley will be issued an additional 5,151,818 Shares under the Placement.
3. In addition to such Shares, subject to obtaining Shareholder at the EGM approval for the issue of the Director Placement Shares, Mr Marjan Mikel will be issued an additional 1,818,181 Shares under the Placement.
4. This represents shares in which Dr Thomas Duthy has a notifiable interest through CIPA Investments Pty Ltd.

5. *In addition to such Shares, subject to obtaining Shareholder approval at the EGM for the issue of the Director Placement Shares, Dr Duthy will be issued an additional 545,454 Shares under the Placement.*

9.8 Remuneration of Directors

Please refer to the Remuneration Report, which is contained on page 12 of the Company's Annual Report for the financial year ended 30 June 2019, for full details of the remuneration of the Company's executive and non-executive directors.

The Annual Report for the financial year ended 30 June 2019 was lodged with ASX on 17 September 2019, which was subsequently updated and lodged with ASX on 13 November 2019 and is available on the Company's ASX announcements page at <http://www.respiri.co/asx-news/>

A hard copy of the Annual Report for the financial year ended 30 June 2019 is also available free of charge during the Offer Period by contacting the Company at its registered address using the details in Section 4 of this Prospectus.

9.9 Interests of advisers

Other than as set out below or elsewhere in this Prospectus, no:

- (a) person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus;
- (b) promoter of the Company; or
- (c) underwriter (but not a sub-underwriter) to the Offers or a financial services licensee named in this Prospectus as a financial services licensee involved in the Offers,

holds at the date of this Prospectus, or has held within the two years preceding lodgement of this Prospectus with ASIC, any interest in:

- (a) the formation or promotion of the Company;
- (b) any property acquired or proposed to be acquired by the Company in connection with:
 - (i) its formation or promotion; or
 - (ii) the Offers,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any of these persons for services provided in connection with:

- (c) the formation or promotion of the Company; or
- (d) the Offers.

Gadens has acted as the Australian legal adviser to the Company in relation to the Offers. The Company has paid or agreed to pay \$20,000 (excluding GST and disbursements) for these services in connection with the Offers up to the date of the Prospectus. Further amounts may be payable to Gadens in accordance with its time-based charge out rates.

9.10 Consents

Gadens has given, and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to be named in this Prospectus as the Company's Australian legal

adviser in the form and context in which it is named. Gadens takes no responsibility for any part of this Prospectus, other than a reference to its name.

9.11 Expenses of the Offers

The estimated total expenses of the Offers (excl GST), assuming \$1 million (before costs) is successfully raised under the Offers (whether through the SPP Offer or subsequently under the Shortfall Offer), or where the Oversubscription is fully subscribed; an amount of \$2 million (before costs) is raised under the Offers (whether through the SPP Offer or subsequently under the Shortfall Offer) are set out in the table below:

	SPP Offer	Oversubscription
ASIC fees	\$3,206	\$3,206
ASX fees	\$5,696	\$8,852
Legal fees	\$20,000	\$20,000
Printing and registry fees	\$49,000	\$49,000
Total	\$77,902	\$81,058

9.12 Subsequent events

Save for the information contained in this Prospectus and otherwise as disclosed to ASX, there has not arisen in the interval between 30 June 2019 and the date of this Prospectus any item, transaction or event of a material or unusual nature not already disclosed in this Prospectus which is likely, in the opinion of the Directors of the Company to affect substantially:

- (a) the operations of the Company,
- (b) the results of those operations; or
- (c) the state of affairs of the Company.

9.13 Determination by ASIC

ASIC has not made a determination which would prevent the Company from relying on section 713 of the Corporations Act in issuing Shares.

9.14 Governing law

This Prospectus, the Offers and the contracts formed on acceptance of Applications under the Offers are governed by the laws applicable in Victoria, Australia. Each Applicant for SPP Shares submits to the non-exclusive jurisdiction of the courts of Victoria, Australia.

9.15 Directors authorisation

This Prospectus is authorised by each Director, who has given and not withdrawn their consent to the issue of this Prospectus and to its lodgement with ASIC.

Signed on the date of this Prospectus on behalf of Respire Limited by:

9 April 2020



MARJAN MIKEL

Mr Marjan Mikel
Executive Director and CEO
Respiri Limited

10. Glossary

\$ means the lawful currency of the Commonwealth of Australia.

AEDT means Australian Eastern Daylight Savings Time.

AEST means Australian Eastern Standard Time.

Applicant means a person that submits an Application Form.

Application Amount means the amount payable by an Applicant for the Shares the subject of an Application Form, as set out in this Prospectus.

Application Form means an application form in a form accompanying this Prospectus.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by it as the context requires.

ASX Listing Rules means the listing rules of the ASX.

Board means the board of Directors unless the context indicates otherwise.

Business Day means Monday to Friday inclusive, except public holidays and any other day that ASX declares is not a business day.

Closing Date means the SPP Offer Closing Date or the Shortfall Offer Closing Date (as the context requires).

Company means Respire Limited ACN 009 234 173.

Company Secretary means Mr Alastair Beard or his associated entity (as the context requires).

Constitution means the constitution of the Company as amended from time to time.

Consultant Shares means the 629,768 Shares issued to various parties in consideration for introductory services provided in connection with the Placement, as announced to the ASX on 3 April 2020.

Corporations Act means the *Corporations Act 2001* (Cth).

Custodian means a person:

- (a) that holds an Australian financial services licence that:
 - (i) covers the provision of a custodial or depositary service; or
 - (ii) includes a condition requiring the holder to comply with the requirements of ASIC Class Order [CO 02/294]; or
- (b) that is exempt under:
 - (i) paragraph 7.6.01(1)(k) of the Corporations Regulations 2001 (the **Regulations**); or
 - (ii) paragraph 7.6.01(1)(na) of the Regulations; or

- (iii) ASIC Class Order [CO 05/1270] to the extent that it relates to ASIC Class Order [CO 03/184]; or
- (iv) ASIC Class Orders [CO 03/1099], [CO 03/1100], [CO 03/1101], [CO 03/1102], [CO 04/829] or [CO 04/1313]; or
- (v) an individual instrument of relief granted by ASIC to the person in terms similar to one of the class orders referred to in subparagraph (iia); or
- (vi) paragraph 911A(2)(h) of the Corporations Act;

from the requirement to hold an Australian financial services licence for the provision of a custodial or depositary service; or

- (c) that is a trustee of a:
 - (i) self-managed superannuation fund; or
 - (ii) superannuation master trust; or
- (d) that is the responsible entity of an IDPS-like scheme; or
- (e) that is the registered holder of shares or interests in the class and is noted on the register of members of the body or scheme (as the case may be) as holding the shares or interests on account of another person.

Directors means the directors of the Company as at the date of this Prospectus.

Director Placement Shares means up to a total of 7,697,271 Shares to be issued to the Directors and the Company Secretary under the Placement, the issue of which is subject to obtaining Shareholder approval at the EGM.

Downstream Custodian has the meaning given to the term in Section 5.1(f).

EGM means the extraordinary general meeting of Shareholders to be held in Melbourne at 2.00 pm (AEST) on 26 May 2020, during which Shareholder approval will be sought for, amongst other things, ratification of the SPP Shares to be issued under this Prospectus and the Placement Investor Shares and the Consultant Shares to replenish the Company's placement capacity under ASX Listing Rules 7.1 and 7.1A, as well as the issue of the Director Placement Shares.

Eligible Shareholders means Shareholders:

- (a) who were registered holders of Shares at 7.00pm (AEDT) on the Record Date; and
- (b) whose registered address was in Australia or New Zealand;
- (a) are not in the USA and are not USA Persons or acting for the account or benefit of USA Persons; and
- (b) are eligible under all applicable securities laws to receive an offer under the SPP Offer.

Issue Date means the date on which Shares are anticipated to be issued for the SPP Offer as set out in the Timetable, subject to variation by the Company without notice.

Notice of Meeting means the notice of meeting prepared by the Company for the purpose of the EGM.

Offer Period means the period commencing on the Opening Date and ending on the Closing Date.

Offer Price means \$0.055 per Share.

Offers means the SPP Offer and the Shortfall Offer (or any of them, as the case requires).

Official Quotation means official quotation on the ASX.

Opening Date means the SPP Offer Opening Date or the Shortfall Offer Opening Date (as the context requires).

Option means an option to acquire a Share.

Oversubscription means the ability of the Company to accept additional Applications from Eligible Shareholders of up to an additional 18,181,819 SPP Shares at the Offer Price to raise an additional \$1 million (before costs).

Participating Beneficiary has the meaning given to the term in Section 5.1(f).

Placement means the placement completed by the Company and announced to the ASX on 26 March 2020 to Directors and sophisticated and professional investors to raise approximately \$2 million (before costs), further information for which is contained in Section 6.1 of this Prospectus.

Placement Investors means the sophisticated and professional investors who participated in the Placement.

Placement Investor Shares means the Shares issued to Placement Investors pursuant to the Placement.

Prospectus means this prospectus dated 9 April 2020 as modified or varied by any supplementary prospectus made by the Company and lodged with ASIC from time to time and any electronic copy of this prospectus and supplementary prospectus.

Record Date means the date referred to as the record date in the Timetable.

Relevant Period means the period commencing at 9.00 am (AEST) on the SPP Offer Opening Date and ending at 7.00 pm (AEST) on the SPP Offer Closing Date.

Securities has the meaning ascribed to the term as in section 92 of the Corporations Act.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a holder of a Share.

Share Registry means Computershare Investor Services Pty Limited.

Shortfall Offer means the offer and issue of the Shortfall on the terms and conditions set out in Section 5.2 of this Prospectus.

Shortfall Offer Closing Date means the closing date for the Shortfall Offer as set out in the Timetable, subject to variation by the Company without notice.

Shortfall Offer Opening Date means the opening date for the Shortfall Offer as set out in the Timetable, subject to variation by the Company without notice.

Shortfall Shares means any Shares offered pursuant to the SPP Offer which were not issued to Eligible Shareholders in accordance with the SPP Offer, and which may be offered pursuant to the Shortfall Offer.

SPP or Share Purchase Plan means the Company's share purchase plan dated on or about the date of this Prospectus comprised of the SPP Offer.

SPP Offer means the non-renounceable offer to Eligible Shareholders of up to 18,181,819 SPP Shares at the Offer Price to raise \$1 million (before costs) on terms and conditions set out in this Prospectus, and includes the Oversubscription.

SPP Offer Closing Date means the closing date for the SPP Offer as set out in the Timetable, subject to variation by the Company without notice.

SPP Offer Opening Date means the opening date for the SPP Offer as set out in the Timetable, subject to variation by the Company without notice.

SPP Share means a new Share subscribed for under the SPP.

Timetable means the timetable of key dates for the SPP set out in Section 3 of this Prospectus.

Trading Day has the meaning given to that term in the ASX Listing Rules.

USA means the United States of America.

USA Securities Act means the *United States Securities Act of 1933* (as amended).

USA Person has the meaning given to the term "U.S. persons" under Regulation S of the USA Securities Act.

VWAP means in relation to a Trading Day, the volume weighted average price of the Shares traded in the ordinary course of business on the ASX on that Trading Day, excluding crossings executed outside the open session state, special crossings, overseas trades and trades pursuant to exercise of options over Shares.