

15th June 2021

Trading Update

Respiri Limited (ASX:RSH) (“Respiri” or the “Company”), an eHealth SaaS Company supporting respiratory health management, today provides a trading update on the Australian pharmacy and online commercial activities for wheezo[®] and expectations for the remainder of the 2021 calendar year (CY2021).

The COVID-19 pandemic has seen constraints in direct sales and marketing activities for Respiri and its Australian pharmacy partner Cipla Pty Ltd, which has led to delays in the implementation of a number of the Company’s activities including:

1. Respiri’s Connected Care Nurse team, which is intended to provide a world-class ambulatory care service for patients with moderate to severe persistent asthma and has experienced an approximately 6 month delay.
2. The rate of pharmacy banner group signings are in line with expectations; the translation into stores ranging wheezo[®] has been slower than planned, given the need to align around pharmacy planogram roll out.
3. Initiation of in-pharmacy Pharmacy Platform programs through existing banner groups have been delayed by these partners, reflecting the availability of staff for training and roll out, delaying roll out by approximately 4 months.
4. Availability of in-store pharmacists and access to patient consult rooms due to increased demand for their services during the pandemic.

Accordingly, these delays will impact the Company’s previously stated CY2021 revenue guidance for wheezo[®] device sales and associated Software as a Service (SaaS) subscription revenues of between \$6 to \$8 million. With the continued uncertainty around repeated state-based lockdowns and vaccination rates that will allow a return to ordinary business activity, the Company has withdrawn its CY2021 revenue guidance and does not consider it appropriate at this time to provide updated revenue guidance.

Mr Marjan Mikel, CEO of Respiri commented “The strategic framework around our launch that we established in the second half of CY2020 and into the first quarter of CY2021 pivoted around banner group execution, footprint expansion and pharmacist education. Although the level of product inquiry has been pleasing, the impost on pharmacist’s time and pharmacy banner groups caused by the pandemic has meant the Company’s key strategic initiatives to drive sales have experienced delays of approximately six months, which has impacted the signing of banner group agreements, pharmacy-level stocking, awareness, education and ultimately sales of wheezo[®] in the first five months of the year through to 31 May 2021. It is therefore unlikely the lost sales momentum can be restored during the remainder of the year for the Company to meet its guidance forecast.”

Mr Mikel continued “Despite these headwinds, the Company has managed to secure sufficient component supply and inventory to support its commercial plans and we anticipate closing additional banner groups progressively through to Q3 2021, which will double the number of pharmacies contracted to stock and sell wheezo[®] from 1,000 to approximately 2,000, representing an implied footprint of approximately 44% based on the total number of ex-hospital community pharmacies across Australia. In addition, we continue to innovate and drive down our manufacturing costs while the market normalises and our sales strategies begin to take effect in the second half of the calendar year.”

The Company remains in a strong financial position with cash and cash equivalents of \$9.9 million as at 31 March 2021. Respiri expects to report its fourth quarter cash flow and activities report in late July 2021. Further information on the Company’s commercial initiatives will be provided at that time. In parallel, the Respiri Board continues to strongly recommend Adherium (ASX:ADR) shareholders accept the offer to acquire all of their shares in Adherium. The offer opens on 15 June 2021 and (unless extended) the offer will close on 16 July 2021. Respiri will continue to vigorously pursue its market strategies for wheezo[®], with the Company having recently achieved regulatory approval for sale in the UK market and remains on track for launch in this important market in Q4 CY2021 as planned.

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wheezo® is a registered trademark of Respiri Limited.

This ASX announcement dated 15th June 2021 has been authorised for release by the Board of Directors of Respiri Limited.

About Respiri Limited

Respiri is an e-Health SaaS company supporting respiratory health management. Its world-first technology detects wheeze, a typical symptom of asthma, COPD and respiratory disease to provide an objective measure of airway limitation. wheezo®, Respiri's innovative technology, comprises an eHealth app combined with a simple, easy to use, handheld device. wheezo® is the first smart device to help improve asthma management by monitoring wheeze and documenting symptoms, signs, triggers, weather conditions and medication use. The asthma management platform also facilitates the sharing of data with caregivers, physicians, and other health care professionals.

Respiri's mission is to help improve quality of life for hundreds of millions of children and adults around the world and dramatically reduce hospital admissions and the economic burden of asthma. Respiri Limited's operations are based in Melbourne, Australia.

For additional information about Respiri and its products, please visit www.respiri.co

About wheezo®

Developed in Australia, with the support of respiratory specialists and other healthcare professionals, the innovative wheezo® device analyses breath sounds for wheeze, and the eHealth App assists patients with managing their asthma by tracking symptoms, triggers, medication use and geo-specific weather conditions. The platform has been designed to extend asthma management beyond the clinic and make it easy to share information with doctors and make appropriate adjustments to asthma action plans. Better active management may lead to better outcomes and improved quality of life for the asthma patient.

Forward Looking Statements

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