

29 July 2022

## June 2022 Quarterly Cash Flow and Quarterly Activities Report

**Respiri Limited (ASX:RSH) (“Respiri” or the “Company”)**, an eHealth SaaS Company supporting respiratory health management, today announces the Appendix 4C quarterly cash flow and activities for the 3 month period ended 30 June 2022.

### Operating Highlights

The Company’s focus, ensuing resource allocation and investment remain steadfastly anchored to its United States commercial strategy. Execution versus planned milestone deliverables are on the whole in line with Company objectives and predominantly focussed on customer acquisition together with our Remote Patient Monitoring (RPM) partners. The USA go-to-market strategy is based around physicians and other approved healthcare professionals that provide RPM clinical solutions “prescribing” wheezo® to their patients; and demonstrating to hospitals, Accountable Care Organisations (ACO) and Payors the cost benefits that this may provide through reduced exacerbations and hospitalisations. RPM device services are reimbursed directly to physicians in the USA via the Centers of Medicare and Medicaid Services (CMS) via a number of Current Procedural Terminology (CPT) reimbursement codes which is unique to the USA. CMS covers this across the entire country whilst RPM reimbursement is mandated in 28 states meaning private payors are obliged to reimburse these services in these states.

The wheezo® medical device and platform solution qualify for RPM reimbursement which is being actively promoted by the Company’s RPM partners to respiratory physicians, hospitals, ACOs and payors.

Access Telehealth and Respiri have successfully run the integration program with Michigan Children’s Hospital to ensure RPM systems and reimbursement services integrate appropriately. The Respiri team developed and released Application Programming Interface (API) functionality allowing the Respiri health portal to integrate with the Access Telehealth RPM platform which will be integrated with healthcare customer Electronic Medical Record (EMR) providing an easy, seamless inclusion of wheeze data into hospital/institution systems which is a critical success factor when dealing with potential healthcare clients. This is significant as this is a one-time investment which will reduce integration time with new Access Telehealth engaged healthcare provider customers.

First Michigan patient recruitment will commence in August with RPM reimbursement claims being processed about a month later and payments received sooner after. This is a substantial milestone for the Company as it validates the final piece of the business model that has been the foundation of strategy in the USA. Once paid, it is significant to note, that to the Company’s knowledge, Respiri/wheezo® will be the first Australian MedTech Company solution to have successfully had RPM CPT reimbursement claims paid to physicians. This in turn will fund the Company’s monthly, per patient recurring payment, a key revenue platform business model assumption. The Company with its partners remains on course to deliver a number of other customers in the coming months that will further reinforce strategy and wheezo® acceptance and continue to drive the next phase of execution which is increased patient acquisition.

Together with partner's support, Respire are invested in significant representations at major conferences including the National Association of ACOs (NAACOS) and the American Telemedicine Association (ATA). These forums provide opportunity to further engage with potential customers and the interest in wheezo® as an RPM solution remains particularly strong, generating in excess of 120 qualified sales leads.

The Company corporate advisors EAS continue to provide valuable directional advice and have introduced the Company to a number of USA based investment funds and family offices, feedback from which has been positive. The Company is pursuing dual listing, adding the USA OTCQB listing to the ASX. This will simplify the Respire investment pathway for retail investor in the USA.

Although the £2 Million NIHR-Funded UK **T**echnology **E**nhanced integr**A**ted asth**M**a care (**TEAM-care**) Paediatric Asthma Clinical Trial with wheezo® was announced in July, significant work had already commenced with Kings Hospital College in the June quarter to prepare for first patient recruitment. This important study sets out to build clinical and health economic evidence base for adoption of new technologies for asthma self-management, treatment optimisation, and monitoring in the UK National Health Service.

TEAM-care is a three arm, randomised, 30-month, clinical trial in 1,464 children with asthma. Wheezo® is one of two interventions tested, From the Respire perspective, the trial will assess the effectiveness and cost-utility of adding wheezo® to a standard integrated care approach for childhood asthma. The primary endpoint is unscheduled health service use (acute asthma consultation in primary, secondary, or out-of-hours care) versus control. Key secondary endpoints include child-health related quality of life, asthma control, use of medicines and primary or secondary healthcare services use. The trial is expected to commence in Q2 2022, with results expected by the end of 2023 and interim data available for analysis as the trial progresses.

The choice of wheezo® as one of only two MedTech solutions of choice by Kings, and the NIHR's decision to fund this study, are further endorsement for the health outcomes benefits wheezo® can potentially deliver. A successful outcome will provide clinical and economic information with global utility, USA included; further demonstrating the healthcare benefits wheezo® delivers and the costs burden this can relieve for payors.

wheezo® was also chosen by the Queen Mary University of London for the ACACIA (**A**chieving **C**ontrol of **A**sthma in **C**hildren In **A**frica) study "Use of an Electronic Wheeze Detection Tool (wheezo®) to detect wheeze in children. Previous ACACIA data indicate that the proportion of children with severe asthma symptoms without a doctor diagnosis of asthma is high. Only a low percentage of children in this cohort have objective markers of asthma. The aim of the study is to verify the wheeze in this group using wheezo®, increasing the likelihood of children having probable undiagnosed asthma. The Company is providing devices for the study and is pleased to be able to support healthcare provision in less affluent countries. Should results be positive this could see wheezo® become a possible mobile, easy, cost-effective diagnostic tool for asthma which is particularly important in developing countries, and could open up a new global market for Respire.

The Respire product development team continue to work on the wearable device, Sorfe, with progress in line with development milestones. In this quarter, work commenced on draft documentation required for medical device regulatory submission, FDA 510(k) in particular. As with all work of this kind there is the process of continual improvement, specifically this has been the case with software both on the device achieving more reliable data acquisition and on the processing hardware/computers to increase sampling rates allowing for superior algorithmic processing of physiological signals. Validation of these signals versus other established diagnostic technologies used for other indications has commenced and the results are as expected and promising.

The device will not replace wheezo® but bolster the Respire portfolio by providing a solution to monitor nocturnal asthma, hospital transition care (remotely monitoring patients discharged from hospital and sent home) and others. There is no shortage of interest from Key Opinion Leaders and the Company

anticipates starting preliminary clinical studies with Sorfe in November/December 2022.

## Corporate & Financial Highlights

During the quarter, the Company raised \$1.6 million in equity and recorded operating cash outflows of \$1.4 million. Operating cash outflows for the quarter saw a decrease of \$2.7 million compared to the previous quarter.

Research and development expenditures of \$0.3 million (\$0.3 million March 22 quarter) was consistent with the previous quarter.

Product and manufacturing costs of \$0.09 million decreased by \$1.8 million reflecting the purchase of inventory manufacturing in the last quarter.

Advertising and marketing costs of \$0.09 million decreased by 73% compared to the previous March quarter as expenditure committed to the commercial roll-out of wheezo<sup>®</sup> in Australia were completed and the shift toward distribution partners in the US.

Staff costs of \$0.47 million reduced by 50% compared to March quarter which was high due to the timing of staff entitlement pay outs and back in line with the December '21 quarter of \$0.49 million.

Administration and corporate costs of \$0.4 million were down 50% compared to the March quarter reflecting half year compliance costs and one-off other professional fees associated with the US launch in the prior period.

The Company closed the quarter with cash and cash equivalents of \$1.2 million and \$2.8m of finished goods inventory and prepaid materials.

Payments to related parties of \$0.18 million, consisted of fees payable to the Executive and Non-Executive Directors of the Company.

The Appendix 4C cash flow report is attached below.

- ENDS -

For further information, investors and media please contact:

**Mr Marjan Mikel**  
CEO & Managing Director  
Respiri Limited  
P: +61 408 462 873  
E: [marjan@respiri.co](mailto:marjan@respiri.co)

**Mr Nicholas Smedley**  
Executive Chairman  
Respiri Limited  
P: +61 447 074 160  
E: [nicholas@respiri.co](mailto:nicholas@respiri.co)

*This ASX announcement dated 29 July 2022 has been authorised for release by the Board of Directors of Respiri Limited.*

## About Respi Limited

Respi 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<sup>®</sup>, Respi's innovative technology, comprises an eHealth app combined with a simple, easy to use, handheld device. wheezo<sup>®</sup> 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.

Respi'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. Respi Limited's operations are based in Melbourne, Australia.

For additional information about Respi and its products, please visit [www.respi.co](http://www.respi.co)

## About wheezo<sup>®</sup>

Developed in Australia, with the support of healthcare professionals, the innovative wheezo<sup>®</sup> device analyses breath sounds for wheeze, and the mobile 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 clinical decisions. Better active management may lead to better outcomes and improved quality of life for end users.

For further information about wheezo, follow the online link <https://wheezo.com>

® wheezo is a trademark of Respi Limited.

## 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 Respi current expectations, estimates and projections about the industry in which Respi 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 Respi, are difficult to predict and could cause actual results to differ materially from those expressed or forecasted in the forward looking statements. Respi cautions shareholders and prospective shareholders not to place undue reliance on these forward looking statements, which reflect the view of Respi 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. Respi 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.

## Appendix 4C

### Quarterly cash flow report for entities subject to Listing Rule 4.7B

**Name of entity**

Respiri Limited (ASX: RSH)

**ABN**

98 009 234 173

**Quarter ended ("current quarter")**

30 June 2022

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (12 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	-	350
1.2 Payments for		
(a) research and development	(306)	(981)
(b) product manufacturing and operating costs	(93)	(2,612)
(c) advertising and marketing	(95)	(1,207)
(d) leased assets	-	-
(e) staff costs	(470)	(2,065)
(f) administration and corporate costs	(440)	(2,319)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	5
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	519
1.8 Other (provide details if material)	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(1,404)</b>	<b>(8,310)</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	-	(2)
(d) investments	-	-
(e) intellectual property	-	-
(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>-</b>	<b>(2)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	1,665	1,665
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(26)	(26)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings - Fundsquire	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>1,639</b>	<b>1,639</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	996	7,957
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,404)	(8,310)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	(2)

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (12 months) \$A'000</b>
4.4	Net cash from / (used in) financing activities (item 3.10 above)	1,639	1,639
4.5	Effect of movement in exchange rates on cash held	(11)	(64)
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>1,220</b>	<b>1,220</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	1,220	996
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>1,220</b>	<b>996</b>

<b>6.</b>	<b>Payments to related parties of the entity and their associates</b>	<b>Current quarter \$A'000</b>
6.1	Aggregate amount of payments to related parties and their associates included in item 1	179
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
Fees of Executive Director and Non-Executive Directors (excluding GST)		

<b>7. Financing facilities</b>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
<b>7.4 Total financing facilities</b>	-	-
<b>7.5 Unused financing facilities available at quarter end</b>		-
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

<b>8. Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1 Net cash from / (used in) operating activities (item 1.9)	(1,404)
8.2 Cash and cash equivalents at quarter end (item 4.6)	1,220
8.3 Unused finance facilities available at quarter end (item 7.5)	-
8.4 Total available funding (item 8.2 + item 8.3)	1,220
<b>8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)</b>	1
8.6 If item 8.5 is less than 2 quarters, please provide answers to the following questions:	
8.6.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer: Yes	
8.6.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer: The Company currently has placement capacity in accordance with ASX Listing Rules 7.1 and 7.1A. In the event that further funding is required, the Company may look to either utilise its placement capacity to raise additional capital or through other funding sources.	



8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: Yes as set out in 8.6.2 above

*Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.*

### Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: .....29 July 2022.....

Authorised by: By the Board of Respiri Limited

### Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.