



# A Medical Devices & SaaS Company

DELIVERING REMOTE PATIENT MONITORING (RPM) SOLUTIONS NOW

18 August 2022  
Marjan Mikel (RESPIRI CEO)  
Respiri Limited (ASX:RSH)



# Forward Looking

Certain statements made in this announcement are forward-looking statements. These forward-looking statements are not historical facts but rather are based on Respi's 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.

# Executive Summary

## Business Development continues to gain traction



1

- Major Healthcare Organisation wheezo/Access RPM customer secured that is part of a much larger healthcare provider organisation
- Michigan Children's wheezo RPM solution on track to go live in the September Quarter.
  - Michigan is part of a larger NYSE listed entity consisting of 60+ hospitals

2

- On track to close more major deals over the December 2022 QTR, representing thousands of patient lives
- 120+ Qualified customer leads in the RPM partner/Respiri sale funnel
- Wheezo an important point of RPM differentiation for partners
- API integration into Access Remotli RPM platform now complete providing secure and efficient flow of physiological clinical data used for claiming RPM CPT codes
- Access Telehealth RPM model delivers proven results; longer RPM program persistence, monthly CPT code billables, resulting in greater life-time value (LTV) per patient compared to Medicare



# Executive Summary

## Market and macroenvironmental trends

### Attractive USA Market Dynamic

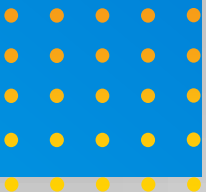


- 50M Americans living with Asthma and/or COPD.
- Remote Patient Monitoring (RPM) is physician reimbursed in the USA with projected CAGR 30%+ to USD85B by 2026
- Re-admission rates continue to put strain on US Health System, with many hospitals incurring Medicare fines which the wheezo RPM solution can alleviate

### Health System Framework & Opportunities



- US payors understand and fund preventative medicine to support patients whilst manage cost burden
- Medicare payment for Remote Patient Monitoring (RPM) services grew by **588% (CY20/19)** which is approx. 60% of insured patients in the USA. Private payors cover the remaining 40% of insured patients paying +20%-30% above Medicare scheduled fees.
- Access and RespiRI attending further Industry/Physician conferences for the remainder of CY2022



# 1<sup>st</sup> US Customer Focused on COPD

Chronic Obstructive Pulmonary Disease  
North Carolina Customer Contracted

## Customer Summary:

- North Carolina customer contracted through our Access Telehealth partner
- Provider is part of a larger healthcare network across the North Carolina region
- The larger group manages 60,000+ in-patient admissions and observations, 187,000+ emergency department visits and almost 2,000,000 outpatient visits per annum

## High Level Plan:

- First patient onboarding scheduled for early Q2FY23
- Initial plan is for 150 COPD patients with potential to tap into significantly larger patient pools managed by the larger group
- Remote Patient Monitoring (RPM) program solution will include Access Telehealth's market leading full service premium model





# Michigan update

Respiri's first US contracted customer



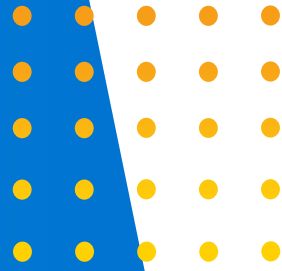
- Michigan Children's Hospital, on track to start recruitment in the coming weeks
- Part of a larger NYSE listed entity with \$US19.5 Billion turnover healthcare services.
- Operates >60 hospitals, including Michigan Children's, and approximately 110 additional outpatient centres and multiple other sites of care.

**A significant opportunity for Respiri and our Access Telehealth Partner. A Strong performance at Michigan Children's will provide Respiri with an opportunity to accelerate adoption across multiple hospitals**



# Business Development

## Pipeline continuing to build



- On track to close more major deals over the next QTR, representing thousands of patient lives
- Commercial deals in late-stage negotiations or pending contract signing
- Strong pipeline with a further +120 qualified leads being nurtured by partners, supported by Respi
- Marketing efforts are delivering brand awareness and our partners are starting to see leads being generated



## EXAMPLES

New York based hospital, part of the largest municipal healthcare system in the United States with \$6.7 billion in annual revenues, servicing 1.4 million patients

A respiratory focused provider, operating across 13 states, headquartered in Texas

# USA Commercialisation Strategy...update

## Delivered

USA commercial market launch

## Completed 9 months ahead of schedule

- 2 RPM customers secured
- FDA Approval March 2021
- RPM provider partners selected Access Telehealth & mTelehealth
- US approved product & packaging
- US RPM patient pathway App & health portal developed
- Inventory built
- Revenue model
  - USD50-60 device
  - SaaS/month/patient
    - USD5-USD20

ACCESS  
TELEHEALTH



## Next QTR activities

- New customer(s) wheezo RPM contract finalisation
- Continue to support partners with materials and collateral to further accelerate pre-sales efforts
- CCO and CEO will be travelling to the US to attend important trade shows (NAACOS & AHIP)
  - NAACOS: Attendees representing millions of patient lives. Seeking RPM end to end solutions. Our RPM solution aligns perfectly
  - AHIP: Attendees are C-Suite level representing health insurance providers, health systems and broader providers
- Accompany partners to important C-suite meetings to help accelerate and close deals
- Continue to gain US insights in local market dynamics to help inform Product and R&D development



# Respiratory disorders place a huge burden on the US health system



## By the numbers;



- ✘ COPD is one of the most costly, estimated to total \$49 billion in 2020 with those with severe COPD accounting for 3x more costs compared to those with mild disease. Those with co-morbidities, on average, cost the health system >\$25k per year
- ✘ Yearly cost of Asthma in the USA is \$56 Billion with ~\$50 Billion considered direct costs (medications, hospitalisations)
- ✘ Those with COPD and CVD are synonymous with more frequent ED representations, longer in-hospital length of stay and worse prognosis.
- ✘ The 30/90 COPD exacerbation readmission rates were 38% and 56% respectively

**1 in 13**

living with asthma

**1.6 million**

ED visits with asthma

**\$8,238**

cost per in-patient medical event

**1 in 20**

living with COPD

**873k**

ED visits with COPD

**\$27,597**

cost per in-patient medical event

# Medicare Pressure on hospitals

## Re-admission targets not being met

HOSPITALS

in  
t  
f

### Medicare fines half of hospitals for readmitting too many patients

By Jordan Rau, Kaiser Health News • Nov 3, 2020 07:45am

COVID-19 Readmissions Centers for Medicare & Medicaid Services (CMS)

POLICY & VALUE-BASED CARE > READMISSIONS & BUNDLED PAYMENTS

### Medicare Again Penalizes Half of U.S. Hospitals for Too Many Readmissions

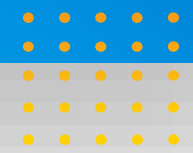
The fines do not include COVID-19 hospitalizations, and while they remain in effect for this year, the pandemic has put the future of the penalty program in doubt

Rajiv Leventhal  
Nov. 3, 2020

#### Issue & Opportunity:

Pressure to find scalable population health solutions to reduce financial burden on 1000's of hospitals

- Centralised funding via CMS and Commercial Plans are available
- Proven solutions able to minimise in-hospital disturbances are highly regarded
- No need for CapEx, increased Head-count with ability to realise revenues



# Remote Patient Monitoring

## Two years since codes established

### How remote patient monitoring is moving into the mainstream

RPM can greatly aid providers treating chronic conditions and ease overburdened hospitals. The future of wearables is also looking bright.

By **Bill Siwicki** | March 08, 2022 | 01:35 PM



#### Observations<sup>1</sup>

- Medicare payment for Remote Patient Monitoring (RPM) services grew by **588%** (CY20/19)
- On average, patients stay on a Program for ~10 months
- Only **4.3 months** (43%) of claiming, likely due to sub-optimal Program design and ongoing management
- For every healthcare provider, there are **~20 patients** billed at least once during CY20
- Medicare payment, on average, generates **>USD 738** per patient
- An optimised Program would general, on average, an additional **>USD 1,300** per patient

#### Remote Patient Monitoring CPT Codes<sup>2</sup>

<b>CPT 99453</b>	Initial set-up & patient education on equipment (one-time fee).	\$19.04
<b>CPT 99454</b>	Supply of devices, collection, transmission, and report/summary of services to the clinician.	\$55.72
<b>CPT 99457</b>	Remote physiologic monitoring services by clinical staff/MD/ QHCP first 20 cumulative minutes of RPM services over a 30-day period.	\$50.18
<b>CPT 99458</b>	Remote physiologic monitoring services by clinical staff/MD/ QHCP for an additional cumulative 20 minutes of RPM services over a 30-day period.	\$40.82
<b>CPT 99091</b>	Collection and interpretation of data by physician or QHCP, 30 minutes.	\$56.41



# Remote Patient Monitoring (CY20)

## Medicare payment (per patient)

 ACTUAL  
USD 738.47

 OPPORTUNITY  
USD 1,303.38

MEDICARE AVE RPM CODES CLAIMED

4.34 MONTHS

OPPORTUNITY PER PATIENT

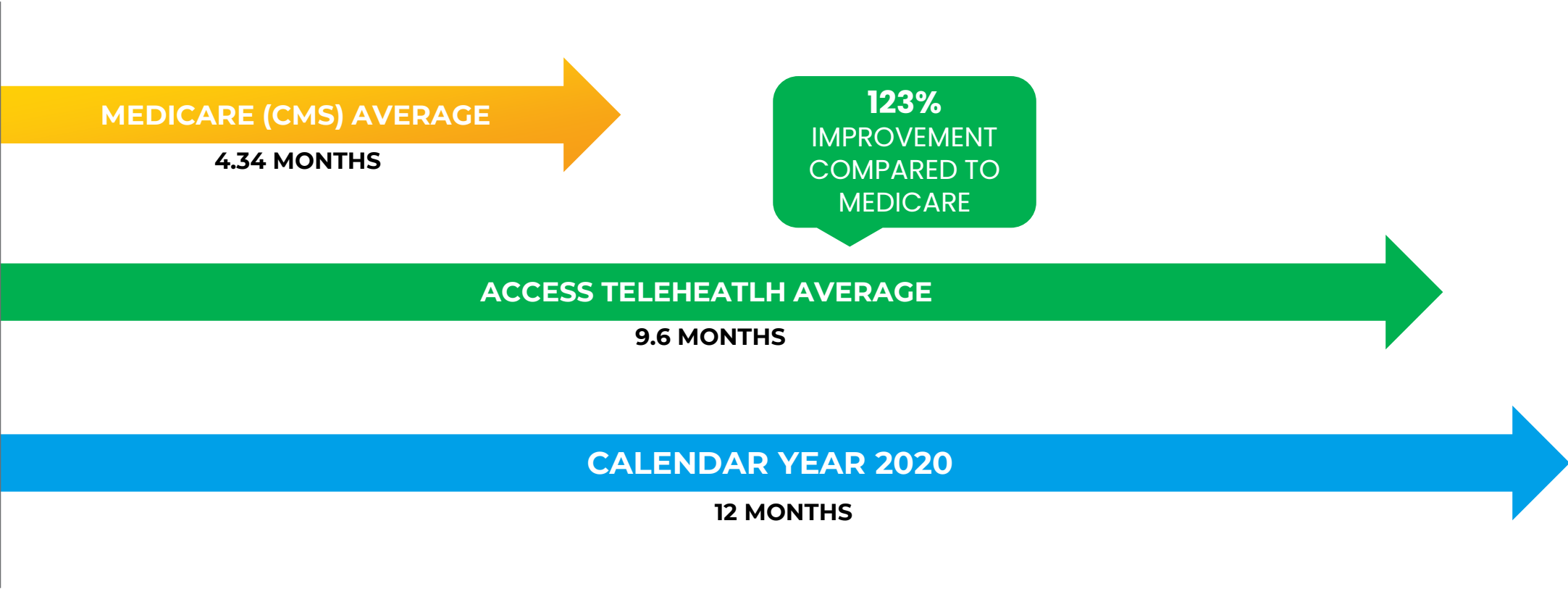
7.66 MONTHS

12 MONTHS

RESPIRI/ACCESS ARE UNIQUELY POSITIONED WITH THE PROPRIETARY WHEEZO SOLUTION TO ADDRESS SOME RPM PROVIDERS LACK OR SUB-OPTIMAL OFFERS IN THE COPD/ASTHMA DISEASE SECTOR



# Remote Patient Monitoring Primed and ready to deliver



**ACCESS TELEHEALTH RPM DELIVERS SIGNIFICANTLY HIGHER AVERAGES PER PATIENT COMPARED TO MEDICARE (CMS)**

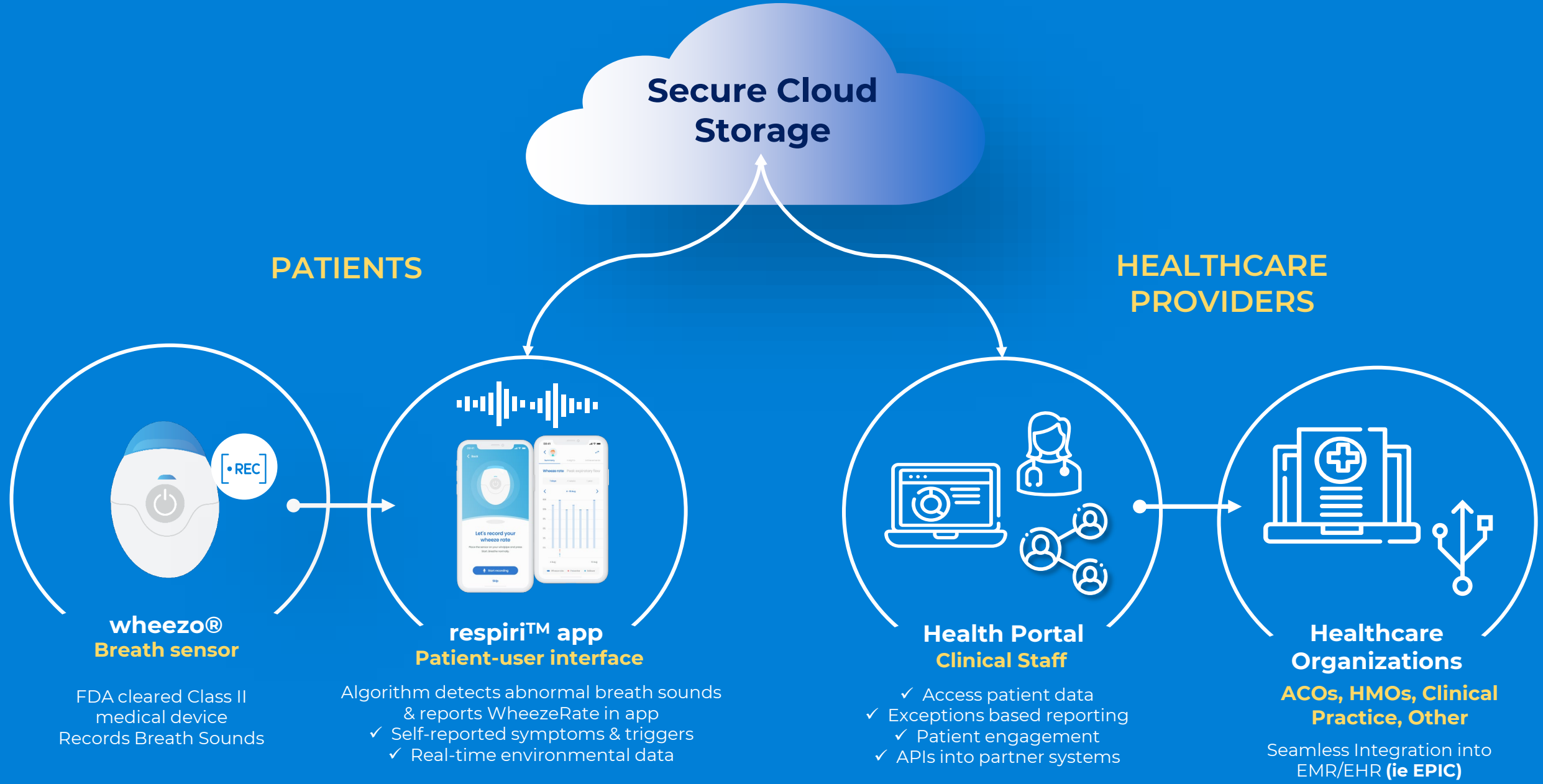




**Sustainable and  
scalable solution**



# A scalable end-to-end solution



# HEALTH PORTAL

## Secure end-to-end platform

### Health Programs

Curated programs enabling healthcare professionals to enroll, review and better manage their patients by exception whilst in the community.

### Reports

Program level reports allows clinical teams to review utilization and overall program metrics

### E-Health Records

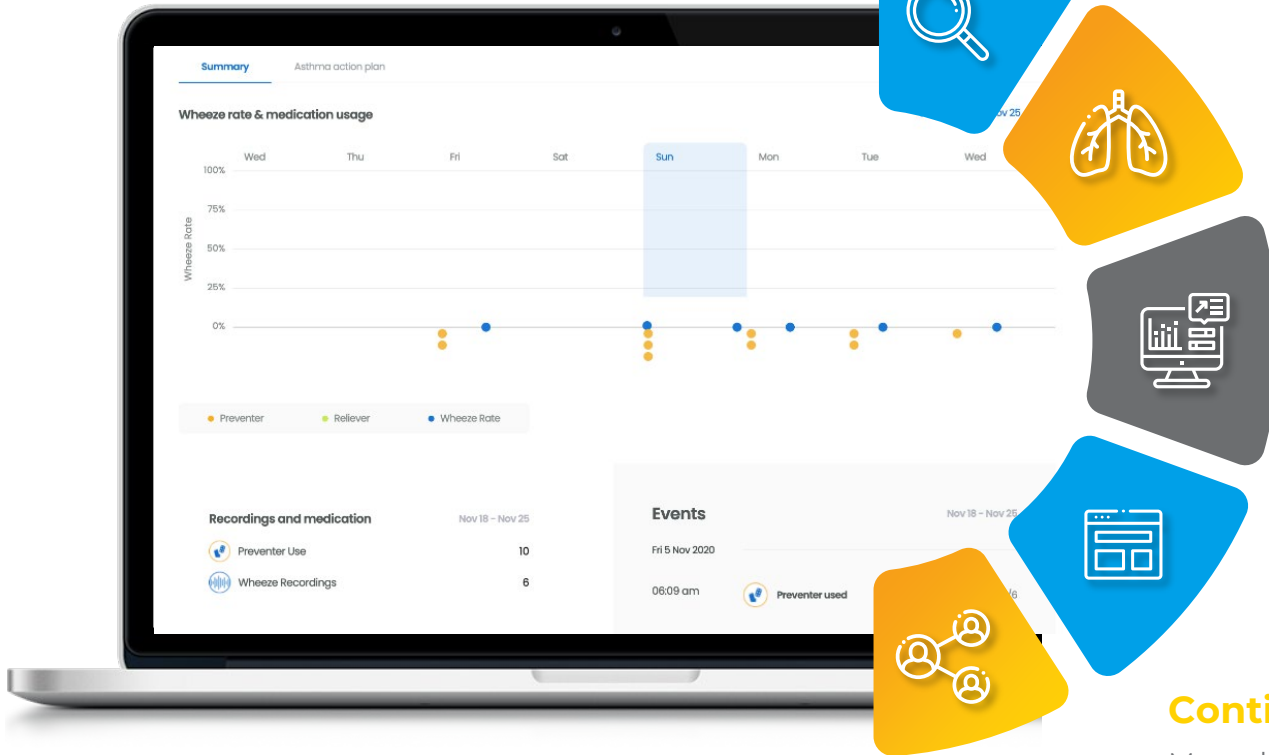
API integration into partner systems or directly into existing health systems, simplifying workflows for clinic teams, reducing inefficiencies whilst delivering instant data flows

### Clinical Data

Program and patient level data, allowing clinical staff to review data (inc breath recordings) prior and during consultations, delivering improved clinical decision making

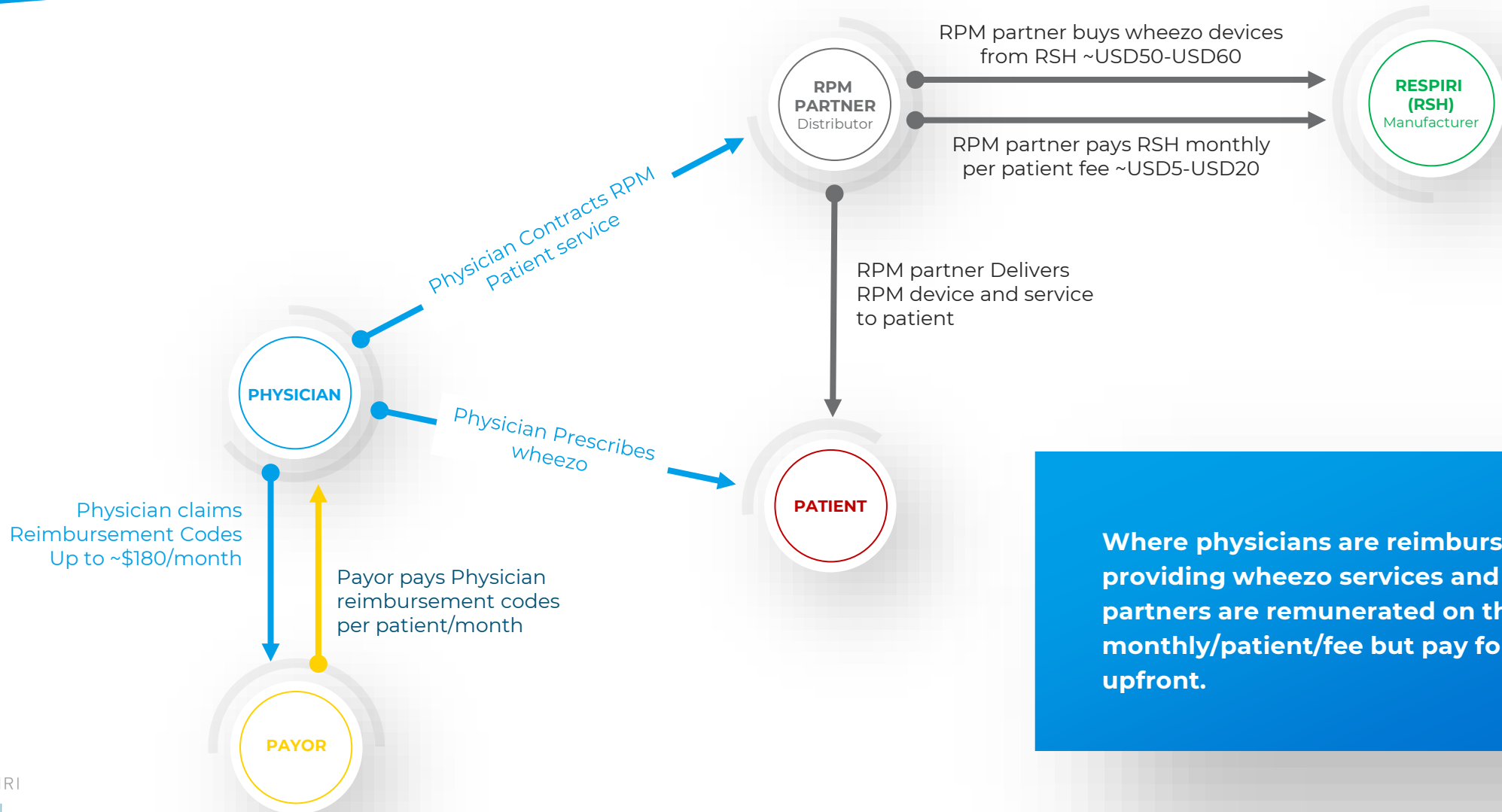
### Continuous Data Sharing

More data than ever before; to access and review a patient's wheeze and other important parameters whilst patients are in the community



# USA MODEL

## Reimbursement and payment flows



**Where physicians are reimbursed for providing wheezo services and our partners are remunerated on the monthly/patient/fee but pay for devices upfront.**

# Manufacturing is Demand Ready



**RISKS MITIGATED**

1

Inventory built to meet USA uptake in demand in the short to medium term. Australian inventory to be redirected. ~20K wheezos on hand

2

Wheezo 4.0 to meet COGS objectives of <AUD \$50 or USD \$35/device.

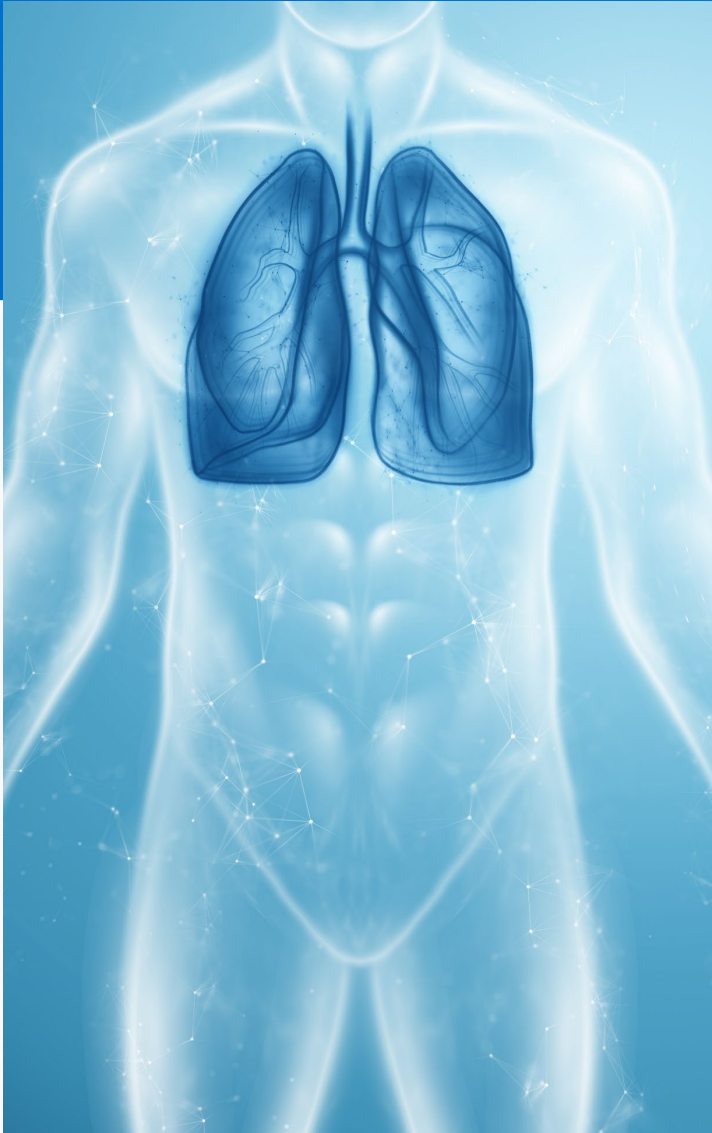
3

Semi-conductor/ chip issue impacting all sectors has been mitigated by securing an alternative superior chip and componentry has been purchased and is in inventory ready for future manufacturing batch runs. (12,500 chips in inventory)





# On track and primed to deliver sustainable growth, underpinned by creating scalable solutions



- 2 clients secured and traction continues with other clients.
- Large, physician led and reimbursed market; ~50 Million patient lives with scale to reach many more in the future
- Best in Class RPM partners excited by wheezo RPM opportunity and annuity remuneration aligned to Respiri strategy
- First patient reimbursed wheezo deal with Michigan Children's Hospital. Tenet Healthcare Group to potentially open doors to multiple like-sites
- 120+ active RPM partner leads whilst on track to close more major deals over the next QTR, representing thousands of patient lives
- First COPD RPM program contracted with program scheduled for early Q2FY23
- Our partners have a proven program methodology, delivering significantly better than average program persistence, resulting in greater potential revenues
- In-market momentum for the remainder of 2022 with CEO / CCO attending multiple trade shows and high level in-person meetings to accelerate and close deals



# Disclaimer statement

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

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

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

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

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

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

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

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

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

**Stock Market Volatility:** The performance of the share market may affect the Company and the price at which its shares trade on a share market. The share market has in the past and may in the future be affected by a number of matters.

**Customer contracts:** The Company's ability to distribute and ultimately sell its products is subject to a small number of commercial agreements. There is a risk that these contracts could be breached, not complied with according to their terms, terminated or substantially modified in a way which adversely affects the ability for the Company to sell its products or creates a significant liability for the Company.

# Respiri Limited Risk Factors





# Thank You.

 Marjan Mikel, CEO

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