



26 April 2023

March 2023 Quarterly Cash Flow and Quarterly Activities Report

Respiri Limited (ASX:RSH) (“Respiri” or the “Company”), an eHealth SaaS Company supporting respiratory health management, announces the Appendix 4C quarterly cash flow and activities report for the 3-month period ended 31 March 2023.

Operating Highlights

Respiri’s operational and investment strategies continue to be focussed on commercialisation of the Company’s respiratory device, wheezo®, recommended by physicians for remote patient monitoring (RPM) patient services in the US market that are reimbursed and delivered by our RPM partner, Access Telehealth. Throughout the March quarter, Respiri together with Access Telehealth, secured three more RPM agreements, taking the number of RPM contracted healthcare organisations to nine.

Respiri has now secured healthcare customers located in eight different states in the USA that treat and manage diverse patient groups, including both adult and paediatric patients living with asthma, patients living with COPD, patients living with COPD with underlying cardiovascular disease and primary care patients demonstrating the broad clinical appeal of the wheezo® RPM program.

Respiri also announced the appointment of Mr William Sigsbee (12th April 2023). Will joins the executive team and assumes the leadership mantle of Chief Commercial Officer for the US market reporting directly to Respiri CEO and Managing Director, Marjan Mikel. With more than 30 years of healthcare experience in medical devices, services and software solutions, including previous roles as Chief Executive Officer (CEO), Will brings a wealth of knowledge in the US healthcare market, partnership strategy and distribution of leading-edge patient engagement technologies. Will has developed significant relationships in healthcare over his career and these together with his experience will be invaluable to accelerating US operations. Will’s appointment is a planned necessity to oversee and lead commercialisation and scaling of services as the Company continues to grow RPM patient numbers and ensuing recurring revenues.

Patient Onboarding

During the quarter, Respiri and Access Telehealth RPM, continued to support scaled RPM patients recruited onto two wheezo® RPM programs for:

1. A major North Carolina Healthcare Organisation (Client), who commenced enrolment of patients with Chronic Obstructive Pulmonary Disease (COPD) on the wheezo® RPM program. The Client manages over 60,000 in-patient admissions and observations, 187,000+ emergency department (ED) visits and almost 2,000,000 outpatient visits per annum. This equates to approximately 25,000 respiratory ED visits and more than 250,000 respiratory outpatient services per annum, many of whom would qualify for enrolment into the wheezo® RPM program.
2. Michigan Children’s Hospital (Detroit Medical Center, DMC, Tenet Health), who commenced patients on wheezo® RPM program. Wheezo® RPM program is being offered to all eligible children with asthma (not as a pilot program). Michigan Children’s Hospital, an affiliate of Detroit Medical Center (DMC), is one of the largest children’s hospitals in the USA and provides extensive asthma outpatient services. The Michigan Children’s Hospital is a premier healthcare service provider for the reported 70,000 children living with asthma in the city of Detroit and recognised as a respiratory management leader. To support the scaling and optimization of this important HealthCare Organisation (HCO) customer, Respiri has recruited

an on-site clinical resource to drive awareness and accelerate the recruitment of patients in this hospital. Senior figures within the HCO have welcomed this approach. This customer resourcing and partnering is a standard offering to be included for all future clients and is another point of differentiation for the Company's RPM program that is founded on the ease of execution for the HCO.

These two HCO wheezo® RPM programs patient onboarding launches adds to previously shared announcements on the launch of the wheezo® RPM program at Minnesota Lung Center, Arkansas Heart Hospital and Medical Centers of Conyers.

RPM reimbursement milestone

During the March quarter, Respiro became the first Australian eHealth SaaS Company whose wheezo® medical device and platform, used for Remote Patient Monitoring by physicians in USA, was reimbursed by Centers of Medicare and Medicaid (CMS) in the USA. Respiro is now receiving recurring revenues per patient per month funded from these reimbursement claims and from wheezo® device sales. CMS (and private insurers) provides RPM reimbursement to physicians based upon the eligibility of insured patients across all 50 US states. RPM Current Procedural Terminology (CPT) reimbursement codes covered the RPM solutions delivered through the Access Telehealth full-service premium model that includes patient engagement using their cloud-based platform, Remotli, including RPM CPT codes 99453, 99454, 99457 and 99458, totalling almost USD150 per patient, per month to the claiming physicians. Chronic Care CPT codes (99490, 99439) can also be claimed with eligible patients which can add an additional \$156 patient monthly revenues.

Business Development Activities

During the quarter and working with partners Access Telehealth, Respiro continue driving US business development leads, including a large nationwide one hundred plus site healthcare provider servicing over half a million patients per annum living with respiratory illness. Beyond this, an influential state-wide post-acute and transitional care provider is in final negotiations with a further 4-6 HealthCare Organisation (HCO) opportunities being nurtured.

Respiro has also initiated discussions with two large insurers, working collaboratively on a potential risk-share revenue model. Tapping into this revenue model may open significant recurring revenues for Respiro, potentially beyond those afforded through the existing Centers of Medicare and Medicaid Services (CMS) CPT codes available for RPM type services. In this model, healthcare providers are paid based on the quality of care they provide rather than the number of healthcare services they give or the number of patients they treat. In this setting, Respiro's low-touch, scalable wheezo® RPM programs would support the insurance industry overarching objective of reducing high-cost services such as, but not limited to, unplanned hospital visits. For example, an unplanned hospital emergency Room visit for a patient living with Chronic Obstructive Pulmonary Disease (COPD) can cost upwards of USD \$27,500¹ per visit. Respiro will continue to work with insurers to formalise a commercial partnership.

In late February 2023, Respiro was present, along with US partner Access Telehealth, at the American Academy of Allergy, Asthma and Immunology (AAAAI) conference in San Antonio, Texas. The conference provided Respiro with a number of additional qualified leads, which have been progressed in partnership with Access Telehealth.

This March quarter also afforded senior leadership, whilst in the US, the opportunity to engage with potential strategic partners with established HCO service businesses and looking to expand into RPM with these customers. Respiro is open to finding win-win partnerships to further accelerate HCO acquisitions and moreover, seamless pathways to significantly grow its patient numbers. These discussions are progressing well, with announcements pending over the coming weeks.

Medical Advisory Board (MAB)

In February 2023, Respiri formed a Medical Advisory Board (MAB) with leading US Key Opinion Leaders (KOL), William Krinsky FCCP, DAABIP (Chair of the MAB), Professor Gerard J. Criner, MD, FACP, FACCP, Ass. Professor Stephen Selinger, MD and Jonathan Hovda, M.D., M.B.A who will collectively help forge the Company's respiratory clinical and product development strategies and guidance on further advancing wheezo® Remote Patient Monitoring (RPM) program as part of standard patient respiratory care. The MAB are key in supporting Respiri's expansion in the US by enhancing wheezo® RPM healthcare utility, investigating clinical applications for the Company's new product pipeline and providing strategic counsel and recommendations for the Company's US-centric plans including the introduction to key institutions.

The founding MAB members comprise a wealth of experience and knowledge and a diverse skill set spanning clinical pulmonology, scientific & clinical expertise and commercial medical device development and commercialisation.

The Company recently ran its first MAB meeting with valuable feedback received on its wearable device currently in development. As outlined above under the "Business Development Update" section, there is a growing need to find scalable solutions to support better patient care whilst they are in the community. In 2018, there were 3.8 million² re-admissions (14% of all admissions) within 30-days post-discharge across the US, with over half of all US hospitals receiving financial penalties for not achieving 30-day re-admission rates³. Respiri's wearable medical device seeks to deliver tangible and actionable solutions to its existing and new customers. The MAB provided critical feedback and recommendations on what Respiri should focus on in its next phase of clinical development. To that point, Respiri will work with one of its MAB members, Jon Hovda, MD who will act as principal investigator in progressing the clinical program for Respiri's wearable medical device candidate. Further information specific to R&D efforts will be shared in future announcements.

¹ Syamlal, G; Medical Expenditures Attributed to Asthma and Chronic Obstructive Pulmonary Disease Among Workers - United States, 2011-2015; 2020.

² <https://hcup-us.ahrq.gov/reports/statbriefs/sb278-Conditions-Frequent-Readmissions-By-Payer-2018.jsp>

³ <https://kffhealthnews.org/news/medicare-fines-half-of-hospitals-for-readmitting-too-many-patients/>

Corporate & Financial Highlights

Share Purchase Plan

In February 2023, the Company completed a share purchase plan raising \$1,935,000 against a target of \$1.5m and issued 38,700,000 fully paid ordinary shares at an issue price of \$0.05 per share, with funds to be used to execute on the Company's commercialisation strategy in the USA.

Financial performance

During the quarter, the Company recorded cash receipts of \$0.1 million from King's College London for the provision of wheezo® devices and data support services for use in National Institute for Health Research (NIHR) funded clinical trial with leading UK clinicians. The trial will assess the impact of introducing remote patient monitoring technology to paediatric asthma patients. Revenues from the provision of wheezo® devices and recurring revenues, used for Remote Patient Monitoring (RPM) programs in the USA, were all prepaid in the December Quarter and the ongoing monthly recurring revenues have not yet been received as reimbursements from Centers of Medicare and Medicaid Services (CMS) and private insurers first reimburse Respiri's US RPM Partners (i.e. Access Telehealth) who then pay Respiri.

Research and development expenditures of \$0.17 million decreased by \$0.23 million due to the transition of software development work to the Company Centre of Digital Innovation Excellence in the Philippines.

Product and manufacturing costs of \$0.05 million decreased by \$0.43 million due to US freight and packaging costs incurred in the previous quarter.

Advertising and marketing costs of \$0.07 million increased by \$0.04 million compared to the previous quarter due to spend on environmental insights intelligence platform and clinical outcome assessment service.

Staff costs of \$0.45 million decreased by \$0.14 million compared to the December 2022 quarter due to the timing of settlement of taxes and superannuation obligations. Administration and corporate costs of \$0.53 million were down 23% compared to the December 2022 quarter due to compliance, and insurance costs incurred in the prior period.

The Company closed the March 2023 quarter with cash and cash equivalents of \$0.94 million and \$2.8 million of finished goods inventory and prepaid materials.

Payments to related parties of \$0.19 million, consisted of fees payable to the Executive and Non-Executive Directors of the Company.

The Appendix 4C cash flow report is attached.

- ENDS -

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This ASX announcement 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.

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

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

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")

31 March 2023

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	101	111
1.2 Payments for		
(a) research and development	(173)	(806)
(b) product manufacturing and operating costs	(54)	(244)
(c) advertising and marketing	(67)	(163)
(d) leased assets	-	-
(e) staff costs	(446)	(1,442)
(f) administration and corporate costs	(533)	(1,695)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	2	3
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	587
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(1,170)	(3,649)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	-	(13)
(d) investments	-	-
(e) intellectual property	-	-
(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 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)	-	-
2.6	Net cash from / (used in) investing activities	-	(13)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	1,975	3,590
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	(98)	(194)
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	-	1
3.10	Net cash from / (used in) financing activities	1,877	3,397

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	230	1,220
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,170)	(3,649)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	(13)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	1,877	3,397
4.5	Effect of movement in exchange rates on cash held	1	(17)
4.6	Cash and cash equivalents at end of period	938	938

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	938	230
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	938	230

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	189
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
Fees paid to Executive Director and Non-Executive Directors (excluding GST)		

7. Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i>		
<i>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)	-	-
7.4 Total financing facilities	-	-
7.5 Unused financing facilities available at quarter end		-
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.	<div style="border: 1px solid black; padding: 5px; min-height: 100px;"> <p>Not applicable</p> </div>	

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(1,170)
8.2 Cash and cash equivalents at quarter end (item 4.6)	938
8.3 Unused finance facilities available at quarter end (item 7.5)	-
8.4 Total available funding (item 8.2 + item 8.3)	938
8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)	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?	
<div style="border: 1px solid black; padding: 5px; min-height: 50px;"> <p>Answer: Yes. The company continues to gain momentum in the US medical market with the commencement of full wheezo RPM patient onboarding and the finalisation of contracts with major US respiratory clinics across the USA.</p> </div>	
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?	
<div style="border: 1px solid black; padding: 5px; min-height: 50px;"> <p>Answer: Yes. 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.</p> </div>	

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. The company expects to continue operating and meet its business objectives.

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: 26 April 2023

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.