



30th April 2024

March 2024 Quarterly Cash Flow and Quarterly Activities Report

Respiri Limited (ASX:RSH) (“Respiri” or the “Company”), an eHealth SaaS Company supporting respiratory health management, provides the Appendix 4C quarterly cash flow and activities report for the 3-month period ended 31 March 2024.

Operating Highlights

- Subsequent to the quarter, Respiri secured an additional \$1.6M in equity investment from strategic investors. This is in addition to the \$6.5m December capital raise which is due to settle in the coming weeks
- Respiri contracts first independent physician association in Hawaii to roll out remote patient monitoring program using clinic in the cloud expanded business services in April 2024
- Respiri entered into an exclusive RPM commercial licensing agreement with AI and Medical Technology company Echo IQ Limited (ASX: EIQ)
- Advanced discussions with 6 new clients and contracts finalisation expected in the coming months
- US scaling operations on track with new hires delivering improved capabilities and supporting Respiri’s growth in patient program offerings

Corporate & Financial Highlights

Financial performance

At the Company’s EGM held on 18th April 2024 Shareholders approved the issue of Shares in respect of the balance of \$5.1 million funds from the December capital raise. The Company expects the funds will be received in early May 2024. During the quarter the Company received \$1.45 million of funding, which was subsequently agreed to convert into equity.

On 30 April 2024 the Company announced a \$1.6 million equity investment, which includes the \$1.45 million above, secured from strategic investors (Placement). Under the terms of the Placement, the Company will issue 53,333,333 new fully paid ordinary shares at an issue price of \$0.03 per Share. These existing investors completed their own due diligence on the Respiri business strategy and achievements to date and are buoyed by the opportunities the Company has secured and is pursuing.

Receipts from customers were \$0.07 million against revenues for the period of \$0.09 million. The current quarter revenue is on top of the previous quarter of \$0.09 million which gives an annualised **revenue of \$0.36 million**. Given the current and anticipated client portfolio, recurring revenues are anticipated to increase significantly in H2 CY 2024

The group has debtors owing of \$0.155 million at year end expected to be collected post quarter end.

Operating cash outflows of \$1.78 million for the quarter saw an increase of \$0.78 million compared to the previous quarter.

Research and development expenditures of \$0.23 million decreased by \$0.18 million compared to the previous quarter. Product and manufacturing costs of \$0.08 million (\$0.06 million on December 2023 quarter) were consistent with the previous quarter.

Staff costs of \$0.73 million increased by \$0.13 million compared to the prior quarter due to additional clinical headcount in the US that is required to deliver the increased remote patient monitoring services to existing, new and anticipated clients. Administration and corporate costs of \$0.8 million were down compared to the prior quarter.

The Company closed the quarter with cash and cash equivalents of \$0.3 million and \$2.8m of finished goods inventory and prepaid materials.

Payments included at Section 6.1 of the accompanying Appendix 4C to related parties of \$0.2 million, consisted of fees payable to the Executive and Non-Executive Directors of the Company.

New contracted Customers

Subsequent to the end of the quarter, Respiro entered into a three-year contract with Hawaii Independent Physician Association (HIPA), Hawaii's largest association of independent physicians to deliver remote patient monitoring (RPM) services to high-risk patients across all chronic conditions managed by HIPA member physicians. HIPA represents over 800 independent providers across the Hawaii Islands. (ASX announcement April 29th 2024).

The initial phase of the contract will see 200+ patients commenced on the program which will generate approximately **US\$310,000** in annualised revenues. These services are expected to grow across the **41,000 patients lives** that the HIPA physicians manage, as data from the original phase of the program is analysed.

This program will be delivered using the broadened **Clinic in the Cloud (CiC)** business solution that Respiro now also provides to customers. This expansion of services see Respiro mitigate more of the operational choke points that can exist with clients and have hampered program roll out with some of the Company's earlier clients and now includes services where Respiro provides:

- The full medical evaluation and management (E&M) solution which enables the company to streamline patient recruitment and onboarding with even less disruption to the physician's work flow.
- Submit reimbursement and process claims for the services rendered by Respiro directly with Centers of Medicare and Medicaid Services (CMS) and other commercial insurers ensuring faster and more streamlined payment of reimbursement claims.
- Increased revenues per patient per month (pppm) from the original US\$70-\$100 to approximately **\$130 ppm** for RPM services only. Initial annualised program revenues of **US\$310,000** with opportunity to grow this significantly in the first 12 months.
- Program design and planning with the client has already commenced and Respiro expects first patient into the program in late June.
- IPAs aggregate independent physicians into organisations, providing scale and ensuing economies which not only reduce costs and improve healthcare efficiencies but also all the leadership of the IPA to negotiate better deals with insurers to allow more favourable conditions for member doctors but also to possibly enter **risk-share agreements** where the IPA is incentivized to deliver more cost-effective healthcare solutions that drive down costs by improving health outcomes and then share in the dollar savings that have been generated. This is a growing relationship that providers and healthcare organisations are entering with insurers as the pressures of healthcare Return on Investment (ROI) continue to escalate.
- This partnership will see Respiro and HIPA develop new approaches to patient profiling, segmentation and targeting whilst also allowing for the financial quantification of program savings using reimbursement billing data to be established. These findings and the approach will continue to enhance the Respiro offering moving forward with other clients.

During the quarter, Respiro was in the process of finalising a number of new contracts in Hawaii and on the mainland and the Company is confident that the negotiations will be finalised imminently and first patients will be onboarded in the coming Quarter. Respiro has also held multiple high-level commercial

activities with health insurers, Accountable Care Organisations (ACOs) and other large health systems with potential to add thousands of patients to Respiro's growing suite of health programs. Respiro will provide further information regarding these and other Business Development activities over the coming period.

Remove Patient Monitoring (RPM) licensing agreement with Echo IQ Limited

During the quarter Respiro entered into an exclusive RPM commercial licensing agreement with AI and Medical Technology company Echo IQ Limited (ASX: EIQ) by integrating Echo IQ's AI-backed EchoSolv™ cardiovascular decision support system into Respiro's remote patient monitoring programs.

Respiro's Remote Patient Monitoring (RPM) business, being increasingly used in the US by healthcare organisations including ACO's and hospitals, allows Healthcare Providers to provide ongoing patient care continuity and clinical engagement after patient consultation or discharge from hospital. RPM is shown to improve health outcomes reducing unnecessary healthcare expenditure associated with the provision of emergency and other forms of unscheduled care. In recognition of the important role played by high quality RPM, it enjoys CMS reimbursement as well as coverage under private insurance.

Cardiovascular disease is one of the leading causes of hospital admission and readmission in the US. The exclusive addition of EchoSolv™ to Respiro's RPM solution adds additional strong cardiology capability to an offering already well established in the monitoring of all chronic conditions. The inclusion of EchoSolv™ into the Respiro RPM suite will not only provide additional business differentiation but will also generate additional revenues from additional RPM services provided and/or from additional revenues that will be generated as part of future risk-share contracts. Both parties are actively working on go to market activities, including customer profiling to target existing and potential new customers to support adoption.

US operations update

Respiro continues to build and prioritise resourcing in the US to support expansion efforts. Beyond the recruitment of the two clinical services roles, Head of Clinical Services and Care Specialist Manager announced in the previous 4C, Respiro recruited a Customer Success Manager, whose primary objectives are to;

- Build strong relationships with contracted Healthcare Organisation (HCO) customers
- Work collaboratively with contracted HCO customers to deliver programs on time and on budget
- Maximise patient recruitment and report program KPIs back to the HCO customer
- Seek opportunities for further program expansion through cross-selling activities

Respiro expects the addition of this role to expedite program go-live dates and maximise patient recruitment and program success moving forward.

The Company continues to scale its clinical staffing capabilities in Hawaii and across mainland USA to cater for the growing patient volumes current, new and new contracts are expected to generate.

Product Evolution

Respiro continues to find ways to optimise its suite of technology product offerings whilst also seeking ways to remove obstacles and pain points. As outlined previously, reliance on HCO Customers to submit claims to support billing and reimbursement coupled with reliance for Providers to recruit patients has been front of mind to find scalable solutions. To that effect, Respiro has continued its work in removing these barriers throughout the quarter, including;

- Respiro's **Clinic in the Cloud**: This expansion of services see Respiro mitigate more of the operational choke points that can exist with clients and have hampered program roll out with some of the Company's earlier clients and now includes services where Respiro provides:
 - o The full medical evaluation and management (E&M) solution which enables the company to streamline patient recruitment and onboarding with even less disruption to the physician's work flow and;
 - o Submit reimbursement and process claims for the services rendered by Respiro directly with CMS and other commercial insurers ensuring faster and more streamlined payment of reimbursement claims.
 - o Increased revenues ppm from the original US\$70-\$100 to approximately \$130 ppm for RPM services only.

- Revenue Cycle Management (RCM): During the quarter, Respiro contracted with FiMed Management, to deliver a full-suite of Billing and RCM solutions. Respiro already has a contracted relationship with FiMed (ASX announcement 10th July 2023) with the expansion to provide these services, a highly valuable and well-received additional product offering. All future contracts will propose this solution which will provide Respiro with clearer visibility of CMS claims adjudication and payments. Respiro expects receipts from contracted HCO customers to speed up dramatically.

These expended services and other operational refinements are expected to improve patient recruitment and onboarding with existing clients and with newly contracted clients moving forward. Respiro is also rationalising its current client portfolio to focus activities on those more equipped to support the RPM initiatives.

US momentum is growing with Respiro's broadening suite of patient services, coupled with expansion of its US footprint, Respiro expects to see a significant growth in patient volumes and HCO contracts over the coming quarters.

The Appendix 4C cash flow report is attached below.

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For further information, investors and media please contact:

Mr Marjan Mikel
CEO & Managing Director
Respiro Limited
P: +61 408 462 873
E: marjan@respiro.co

Mr Nicholas Smedley
Executive Chairman
Respiro Limited
P: +61 447 074 160
E: nicholas@respiro.co

This ASX announcement has been authorised for release by the Board of Directors of Respiro Limited.

About Respiro Limited

Respiro Limited (ASX:RSH, OTCQB:RSHUF) is an international e-Health SaaS company supporting respiratory health management focusing primarily on supporting the US remote patient monitoring market. Its world-first technology detects wheeze, a typical symptom of Asthma, COPD and respiratory disease to provide an objective measure of airway limitation. Respiro created technology optimises how patients in partnership with their physicians manage chronic respiratory conditions. These solutions can help transform the way physicians interact with respiratory patients while they are away from the clinic. wheezo®, is an FDA cleared Class II Medical Device, the respiro™ app (patient-user-interface) and the secure health portal can help different health organisations and providers connect with patients to improve collaboration and help improve respiratory condition management. In the USA, wheezo® can be integrated into Remote Patient Monitoring (RPM) programs and qualifies for RPM Current Procedural Terminology (CPT) reimbursement.

Respiri's mission is to help improve quality of life for hundreds of millions of children and adults around the world with respiratory disorders and dramatically reduce hospital admissions and the economic burden of Asthma and COPD. Respiri Limited's operations are based in Melbourne, Australia with offices in New York City, USA.

For additional information about Respiri Limited please visit our corporate website www.respiri.co/au

About wheezo®

Developed in Australia, with the support of an international panel of leading respiratory specialists and other healthcare professionals, the innovative wheezo® device analyses breath sounds for wheeze, and the intuitive mobile application engages patients to log symptoms and triggers to build a personal profile to share data with healthcare providers so patients and physicians can have more informed discussions in relation to symptoms. The platform has been designed to extend care beyond the clinic which may lead to better health outcomes and improved quality of life for patients.

For information about our product offering in the US including wheezo® please visit www.respiri.co/us

wheezo® is a registered trademark of Respiri 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 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.

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 2024

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	67	97
1.2 Payments for		
(a) research and development	(234)	(546)
(b) product manufacturing and operating costs	(80)	(210)
(c) advertising and marketing	(27)	(69)
(d) leased assets	-	-
(e) staff costs	(728)	(1,873)
(f) administration and corporate costs	(782)	(2,654)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	1	3
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	582
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(1,783)	(4,670)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	-	(11)
(d) investments	-	(2,071)
(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)	-	-
2.6	Net cash from / (used in) investing activities	-	(2,082)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	1,475	7,660
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	(297)	(517)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings - Fundsquire	-	(220)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other	-	-
3.10	Net cash from / (used in) financing activities	1,178	6,923

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	910	146
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,783)	(4,670)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	(2,082)

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

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	1,178	6,923
4.5	Effect of movement in exchange rates on cash held	1	(11)
4.6	Cash and cash equivalents at end of period	305	305

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	305	910
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)	305	910

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	196
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)		

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.		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(1,783)
8.2 Cash and cash equivalents at quarter end (item 4.6)	305
8.3 Unused finance facilities available at quarter end (item 7.5)	-
8.4 Total available funding (item 8.2 + item 8.3)	305
8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)	0
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. Respi continues to collaborate with US medical institutions on advancing business and future revenue opportunities via its wheezo RPM program.	
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: YES. Respi will receive \$5.1 million in cash from shares approved at EGM on 18 th April 2024. On 30 April 2024, the Company announced that it had received commitments for a placement of \$1.6 million from existing sophisticated and professional shareholders.	
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 using equity raised from its planned US listing and an increase in revenues following the acquisition of Access Telehealth.	
<i>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.</i>	

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: ..30 April 2024.....

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.