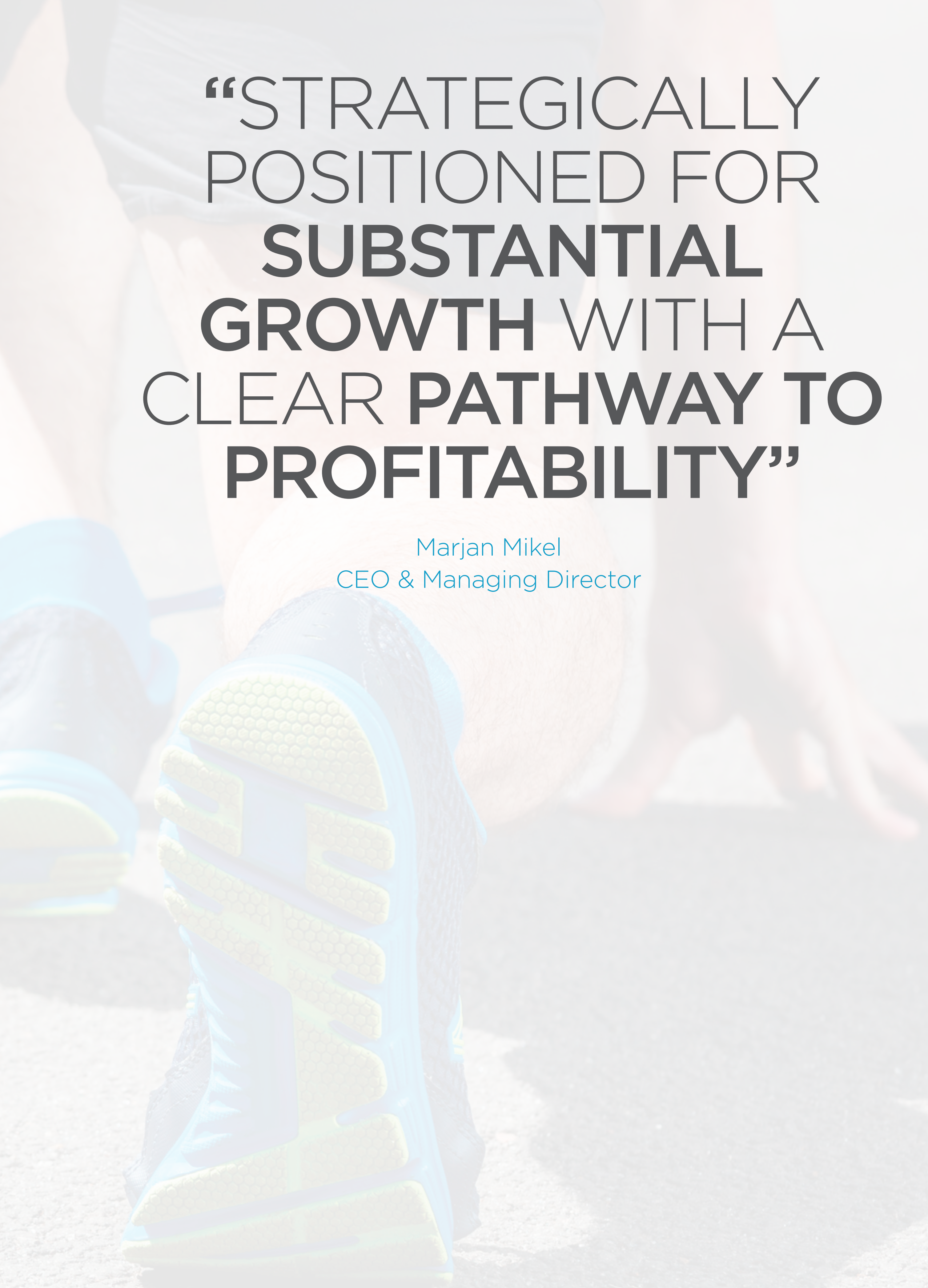
RESPIRI

ANNUAL REPORT 2024

Contents

Respiri Limited
ABN 98 009 234 173



"STRATEGICALLY POSITIONED FOR **SUBSTANTIAL GROWTH** WITH A CLEAR **PATHWAY TO PROFITABILITY**"

Marjan Mikel
CEO & Managing Director

Chairman & CEO Update

Dear Fellow Shareholders,

On behalf of the Board of Directors of Respiri Limited, we are pleased to present the company's Annual Report for the year ended 30 June 2024.

This year has been one of significant progress, defined by successful strategic initiatives, operational milestones, and exciting developments that position Respiri for continued growth and success.

US Market, Expansion and Acquisitions

The US continues to be the company's primary focus. The US Remote Monitoring market projected to almost double and reach approximately US$25 billion by 2028, representing a CAGR of 11.16% during the forecast period[1]. Furthermore, the number of US citizens who will be 65+ years or older will almost double over the next quarter century to about 90 million US citizens[2]. With over half of all current US citizens living with two or more chronic conditions, there is a significant need for remote care management solutions to help take the pressure off the health system, especially reducing higher cost encounters from unplanned emergency department visits, hospital admissions and costly re-admissions. To that affect, Medicare fines for high hospital readmissions resulted in 2,300 facilities being penalized, representing 43% of all US hospitals[3].

The need for scalable and proven remote care management solutions, to meet the needs of patients whilst reducing the financial burden and pressure faced by the US healthcare system is even more pressing. Respiri's strategic direction and decisions taken throughout FY24 have been led through this prism and will continue to shape our efforts moving forward.

During FY24, Respiri took a pivotal step by acquiring Access Managed Services (ASX Announcement 14th August 2023), providing an asset that enabled the company to deliver a full suite RPM solution and allowing greater operational control over business strategy execution. This transformative acquisition provides Respiri with a comprehensive Remote Care Management solution that caters to major disease states, such as respiratory, cardiovascular, diabetes, and obesity. It accelerated our entry into the US market and enabled us to deliver scalable beyond-the-clinic solutions.

Over the past year management has delivered a plan that has differentiated Respiri from the competition on three fundamental platforms:

- The unique and proprietary wheezo device which enables Respiri to deliver a clinically relevant and easy RPM solution for respiratory disorders such as COPD and asthma.
- Clinic in Cloud (CiC), allowing the company to further streamline program execution with clients and improving per patient per month (pppm) revenues.
- Willingness to enter risk-share value-based contracts which our clients often undertake, where the Company gets paid a per member per month (pmpm) rather than a fee for service pppm and further shares the upside and downside of the savings that are generated over the contract term.

1. https://www.arizton.com/market-reports/us-remote-patient-monitoring-market#:~:text=The%20U.S.%20remote%20patient%20monitoring%20market%20size%20was%20valued%20at
2. https://www.vantagemarketresearch.com/industry-report/remote-healthcare-market-2221
3. https://psnet.ahrq.gov/issue/medicare-fines-high-hospital-readmissions-drop-nearly-2300-facilities-are-still-penalized

These three unique differentiators make the Respiri value proposition attractive to existing and potential clients as they address the pain points faced by healthcare organisations and patients alike. Operationally the Company has developed processes to deliver on this differentiation resulting in superior outcomes for patients, healthcare providers/organisations and very importantly insurers/payers. These operational strengths include:

1. **AI-Driven Patient Identification**: Using advanced AI tools, help identify at-risk patients who can benefit most from remote monitoring and care management services. This ensures efforts are invested where they can have the greatest impact, improving patient outcomes, reducing events and associated unnecessary costs.
2. **Tailored Patient Programs**: Each patient is paired with the right program based on their specific needs, ensuring optimized care and improved health outcomes.
3. **Seamless Onboarding**: Patient recruitment, consent, and onboarding processes are designed to be seamless, reducing friction and improving patient engagement.
4. **Local Presence**: Respiri is committed to establishing a local presence in the communities it serves. Hiring local staff and creating community-based solutions, builds trust and foster lasting relationships between Company care coordinators and supported patients.
5. **Simplified Claims and Billing**: Navigating the complexities of claims, billing, and reconciliation is a significant burden for healthcare organizations. Respiri has developed streamlined processes that remove this complexity, allowing clients to focus on patient care rather than administrative tasks.
6. **Clinic in Cloud (CiC)**: Respiri's comprehensive care management services include the provision of Evaluation and Management services, which reduce the workload on client provider teams, freeing them to focus on more critical aspects of patient care.

Respiri expects to achieve significant sustainable growth and are confident that Respiri will reach cash-positive status by CY2024

Chairman & CEO Update continued

These improved and highly valued capabilities allow Respiri to offer a differentiated suite of Care Management Services, including but not limited to, Remote Patient Monitoring (RPM), Principal Care Management (PCM), Chronic Care Management (CCM) and Transition Care Management (TCM). These wrap-around services reduce and, in many cases, remove known executional client choke points expediting a paradigm shift to enhance the continuum of patient care. With clients, Respiri is creating a new standard of care and delivering value to all key stakeholders, centred around the patient.

With twenty-six existing clients and a strong pipeline of future opportunities, these enhanced capabilities and streamlined processes will drive rapid growth in patient volumes and new client acquisitions over the next year. Respiri's recent June quarter highlights the patient acquisition opportunities at hand, which, if added to Respiri's recently announced (ASX Announcement 16th September 2024) Respiri/Ceras partnership and contract with Covenant Health Inc, brings the patient opportunity for just these clients to approximately 30,000 patient lives.

Respiri's leadership continues to focus on the value-based/risk-share healthcare market. Accountable Care Organisations (ACOs), Managed Service Organisations (MSOs), Independent Physician Associations (IPAs), Health Plans or other like organisations, are all seeking proven and sustainable solutions to reduce overall healthcare expenditure across patient lives under management and partners with a willingness to align their business models around this approach, which is unique to Respiri's business model. National Healthcare Expenditure over the next ten years is projected to grow by an annual 5.6% and is set to outpace that of average GDP growth 4.3%[4].

Respiri's breadth of Remote Care Management services, coupled with wrap around services that streamline known barriers have been well received. Respiri is currently in well advanced discussions with four such organisations.

Respiri's success in Hawaii has also led to the establishment of a dedicated team on the ground. Establishing a local community presence is seen as a key differentiator and showcases Respiri's commitment to hire local staff to support local patients and locally based clients. This commitment underscores our dedication to scaling effectively as patient numbers grow.

Clinic in Cloud (CiC) and Reimbursement Success

Respiri's Clinic in Cloud (CiC) service continues to expand, offering state-specific reimbursement solutions. Initial monthly Average Revenue per patient per month is currently generating ~US190. Respiri expects pppm to grow as many of Respiri's consented patients meet criteria for multiple programs and CiC has helped drive higher patient engagement and better program persistence, resulting in higher lifetime-value revenues per patient. With growing demand for these services, Respiri is well-positioned to secure more risk-share and capitated contracts with the various types of organisations as outlined above in the coming months.

Growth through Acquisitions and Partnerships

Respiri is actively evaluating acquisition opportunities in this fragmented market. Respiri aims to acquire complementary businesses that present synergies in cost efficiencies, cross-selling potential, and overall growth opportunities. These acquisitions will enhance Respiri's immediate scale in the US market, tap into required new capabilities and know how whilst opening up existing consented patients to broader program offerings, further improving pppm.

Operational and Clinical Team Growth

Respiri's US team has expanded to accommodate new client growth and subsequent significant patient growth. The clinical and client operations teams, now numbering 16, supports RPM, CCM, PCM and TCM services supporting clients through the readiness and launch phases as seamlessly as possible. Establishing a continuous improvement behaviour amongst the teams is a necessity to onboard multiple clients at once over the next 12 months and beyond. Establishing the "Respiri Way" of how Respiri operates is pivotal to meet our strategic goals.

Tactically, Respiri is delivering clinical monitoring efficiency, with each Respiri care coordinator managing up to 250 patients which generates approximately US$250K per annum in service revenues off a headcount cost base of US$70K. Respiri anticipates further headcount increases, aligned to patient number growth, over the next 12 months and beyond.

4. https://www.cms.gov/data-research/statistics-trends-and-reports/national-health-expenditure-data/nhe-fact-sheet#:~:text=NHE%20grew%204.1%25%20to%20%244.5,18%20percent%20of%20total%20NHE.

Wearable Clinical Study Progress

Respiri is excited to announce the commencement of a clinical study for the new wearable device, in partnership with Fox Valley Pulmonology Medicine Clinic in Wisconsin. Patient enrolment is set to begin in October 2024, and the study protocol objectives are to validate AI-driven predictive algorithms, a key component of the FDA submission expected to be filed in Q4, CY2025. Respiri looks forward to sharing news on the clinical development of the wearable device which will expand the respiratory device offering, allowing Respiri to cater to a broader base of patients and support US healthcare organisations with new programs for patient cohorts which are currently underserved. This device will play a critical role in monitoring respiratory patients transitioning from hospital and hospital-like settings to home care, enhancing Respiri's capabilities alongside wheezo®.

Leadership Appointments

The board were pleased to welcome US State Senator and pulmonologist, Dr. Tom Takubo, to the Board as a Non-Executive Director (ASX Announcement 14th December, 2023). Dr Takubo was first elected West Virginia State Senator in January 2015. He sits on several committees including as Vice Chair of Senate Health and Human Resources and Senate Finance amongst others and has sponsored a number of Bills in his role as a legislator. Dr Takubo was re-elected to the Senate in November 2022. Dr Takubo also holds the position of Executive Vice President of Provider Relations at West Virginia University (WVU) Health System where his clinical experience as a community-based Pulmonologist and Critical Care specialist provides strategic and practical insights into WVUHS clinical development direction and investments. He is responsible for helping build and manage new relationships and partnerships with external healthcare organisations and other businesses. He leads the development of innovative digital healthcare strategies for the organisation designed to introduce more effective, world leading healthcare aimed at improving patient health outcomes. His clinical expertise and leadership in healthcare will provide invaluable insights as we continue to grow US operations and he has been a valuable addition to the board.

Financial Performance and Outlook

The June quarter was marked by record-breaking patient enrolments, with over 1,423 patients actively participating in our programs. This growth equates to annualized revenues of AUD$1.5M (US$1M+) and a significant increase in recurring revenue streams. With the number of healthcare organisation clients almost doubling from 15 to 26, Respiri is well-positioned for continued revenue acceleration in the year ahead.

Looking forward, Respiri expects to achieve significant sustainable growth and are confident that Respiri will reach cash-positive status by CY2024. The next 12 months will see Respiri building on the strong foundation laid in 2024, with further expansions—both organic and possible acquisitions—playing a crucial role in ongoing success.

In Closing

Respiri would like to extend its heartfelt gratitude to shareholders for your continued support. The Board and senior management remain committed to delivering on its strategic priorities and generating value for investors. With your ongoing trust, Respiri is well-positioned to continue making a meaningful impact on the lives of patients living with chronic diseases. Respiri looks forward to keeping you informed as it builds on the successes of FY24.

Nicholas Smedley
Executive Chairman

Marjan Mikel
CEO and
Managing Director

FINANCIAL STATEMENTS 2024

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For the Year Ended 30 June 2024

Directors' Report
30 June 2024

The Directors of Respiri Limited ("RSH", "Respiri", "Company" or "the Group") submit herewith the annual financial report of the Group for the financial year ended 30 June 2024. In order to comply with the *Corporations Act 2001*, the Directors' Report are as follows:

Directors

The names of each person who has been a director during the year and to the date of this report are:

Mr Nicholas Smedley	Executive Chairman
Appointed to the Board	30 October 2019
Last elected by Shareholders	16 December 2020
Experience	Nicholas is an experienced Investment Banker and M&A Advisor, with 14 years' experience at UBS and KPMG. He has worked on M&A transactions in the UK, Hong Kong, China, and Australia with transactions ranging from the A$9bn defence of WMC Resources through to the investment of $65m into Catch.com.au. Nicholas currently oversees investments in the Property, Aged care, Technology and Medical Technology space. Key areas of expertise include M&A, Debt structuring, Corporate governance and innovation.
Qualifications	B.Com
Interest in shares and options	15,459,668 Ordinary Shares and 70,000,000 Unlisted Options
Directorships held in other listed entities	AD1 Holdings Limited Findi Limited
Directorships held in the last three years	None

Mr Marjan Mikel	CEO and Executive Director
Appointed to the Board	25 November 2019
Last elected by Shareholders	16 December 2020
Experience	Marjan is a highly experienced managing director and board member with a career spanning Australia, Europe and Japan, Marjan's focus has been in the healthcare industry; from pharmaceuticals and information services and technology to medical devices and sleep disorder solutions. He founded and subsequently sold Healthy Sleep Solutions after developing it into a successful business, with Resmed Ltd as a joint venture/shareholder partner. He is an industry research fellow at University of New South Wales Faculty of Engineering.
Qualifications	BSc(Hons), Grad Dip Ed, MCom; MAICD
Interest in shares and options	4,558,687 Ordinary Shares and 75,000,000 Unlisted Options
Directorships held in other listed entities	Nil
Directorships held in the last three years	None

Directors' Report
30 June 2024

Directors (continued)

Dr Tom Takubo	Non-Executive Director
Appointed to the Board	11 December 2023
Experience	Dr Takubo was first elected West Virginia State Senator in January 2015. In this legislative role he sits on a number of committees including as Vice Chair of Senate Health and Human Resources and Senate Finance amongst others and has sponsored a number of Bills in his role as a legislator. Dr Takubo was re-elected to the Senate in November 2022. Dr Takubo also holds the position of Executive Vice President of Provider Relations at West Virginia University (WVU) Health System where his clinical experience as a community-based Pulmonologist and Critical Care specialist provides strategic and practical insights into WVUHS clinical development direction and investments. He is responsible for helping build and manage new relationships and partnerships with external healthcare organizations and other businesses. He leads the development of innovative digital healthcare strategies for the organisation designed to introduce more effective, world leading healthcare aimed at improving patient health outcomes. WVUHS provides services throughout West Virginia, Ohio, Pennsylvania and Maryland and includes a network of hospitals with more than 1,800 beds and other health care institutions and services. Dr Takubo also continues to practice medicine as the Chief of Pulmonary and Critical Care Medicine at Charleston Area Medical Center. This frontline experience and commitment to his patients, continues to help forge his understanding of the health care challenges and opportunities that exist in the United States.
Qualifications	Dr Takubo attended Marshall University and received his M.D. from the West Virginia School of Osteopathic Medicine.
Interest in shares and options	Nil
Directorships held in other listed entities	Nil
Directorships held in the last three years	None

Directors' Report
30 June 2024

Company secretary

Andrew Metcalfe was appointed as Company Secretary on 15th August 2022 and resigned on 29th January 2024.

Mr Justin Mouchacca and Ms Nova Taylor are the current company secretaries effective 29th January 2024.

Mr Mouchacca is a Chartered Accountant and Fellow of the Governance Institute of Australia with over 17 years' experience in public company responsibilities including statutory, corporate governance and financial reporting requirements. Since July 2019, he has been principal of JM Corporate Services and has been appointed Company Secretary and Financial Officer for a number of entities listed on the ASX and unlisted public companies.

Ms Taylor is a professional Company Secretary with approximately 7 years' experience working with listed companies in Company Secretary and Assistant Company Secretary roles.She previously worked for Computershare Investor Services Pty Ltd in various roles for over 10 years. Nova has completed a Bachelor of Laws at Deakin University.

Principal Activities

The Company's principal activities in the course of the financial year have been the research, development and commercialisation of medical devices, and the development of mobile health applications.

There were no significant changes in the nature of the Group's principal activities during the financial year.

Operating and Financial review

Revenue for the June 2024 financial year was $1m which included operating revenue of $0.5m for the year, this is up by 511% on the prior year operating revenue of $0.1m. The last quarter of this financial year contributing a record $190k in operating revenue. The Financial Year ended 30 June 2024, particularly Q4, saw Respiri significantly grow both patient numbers on Remote Patient Monitoring (RPM) and other programs and the number of healthcare organisation clients (15 to 26) being serviced by the Company.

The loss for the Group after income tax for the reporting period was $7,129,247 (2023: $5,775,290) and an operating cash outflow of $6,641,350 (2023: $4,490,186). This result has been achieved after fully expensing all research and development costs. The increase in Consulting, employee and director expense of $3,908,544 and Corporate administration expenses of $2,795,572 reflect the additional hire of key management personnel in the US and other key business roles required to support Respiri's corporate objectives. There were also increased transactional costs arising from the US acquisition of Access Telehealth.

At year end the company held $2,751,565 in inventories and $762,874 cash on hand.

The June 2024 quarter was a significant inflection milestone for active patient numbers, increasing 353% from 314 to 1,423 on RPM and other programs as restructuring, partnerships, redesigned processes and client portfolio rationalisation begin to significantly impact performance and driving a record recurring revenue achievement of almost A$100K in June 2024.

Active programs developed in conjunction with the clients have, and will be, executed to ensure patient onboarding is expedited in the current quarter and beyond. Assuming a modest 33% conversion, and full onboarding kick-off in September, Respiri expects to increase patient numbers by another circa 3,000 from these clients with more specific patients target lists to be identified and onboarded in subsequent waves from these clients and others. Respiri's current RPM per patient per month (pppm) target is US$70-US$100.

The Company expects to secure more RPM contracts from new clients, including major accounts with Payor/health insurers, IPAs/ACOs and other Healthcare Organisations with these patient populations in addition to those described above.

Directors' Report
30 June 2024

Operating and Financial review (continued)

Respiri continues to actively evaluate possible acquisition target companies in this highly fragmented sector. Target companies have similar or complementary businesses presenting both restructuring procurement/efficiency cost savings and also growth opportunities arising from cross-selling prospects across the respective existing client portfolios and the revenue synergies that exist with Respiri's Clinic in Cloud model and progress in securing future risk-share/capitated contracts, all of which are unique to Respiri.

Further, as planned, the new wearable device clinical study protocol with Fox Valley Pulmonology Medicine, Wisconsin, has been approved by an Independent Institution Review Board (IRB). 39 patients have already been identified for the study with first patient enrolment scheduled in August/early September. The study will be completed in about six months and then data analysed. This study will be used as the basis for US FDA regulatory approval which is targeted to be submitted in Q3, 2025 with approval anticipated in Q2, 2026. The device will have particular clinical utility in Transitional Care Management (TCM) for COPD patient discharged from hospital to their homes and this is reimbursed by CMS (Medicare) in the USA. This device will not replace wheezo which will continue to be used in the RPM setting where it is currently reimbursed as part of RPM programs.

Dividends

The Company did not pay any dividends during the financial year. The Directors do not recommend the payment of a dividend in respect of the 2024 financial year. (2023: Nil).

Significant Changes in State of Affairs

During the reporting period, there were notable changes in the group's state of affairs concerning options and shares. The group successfully raised $8.8 million in cash through a placement offering, resulting in the issuance of new shares. Additionally, $0.98 million was converted into equity. Over the year, the group issued a total of 141 million options, comprising 76 million listed options and 65 million unlisted options.

In the opinion of the Directors, there were no other significant changes in the state of affairs of entities in the Group during the financial year under review not otherwise disclosed in the Annual Report. The board decided to focus 100% of its commercialisation efforts on the US market and for that reason decided to exit the Australian market.

Matters Subsequent to Reporting Period

Following the year-end, the group successfully raised $2,997,000 in cash in August through a placement offering. Additionally, a $1,100,000 loan was converted into equity.

The group is also expecting to receive an R&D tax offset of $611,282 in the second quarter

Likely Developments and Expected Results

Please refer to the ‘Operating and Financial Review’ section at the start of the Directors’ Report for information in relation to Company’s future Developments and Events.

Environmental Regulations

The Group's operations are not regulated by any significant environmental regulations under either Commonwealth or State legislation.

Risk Management

The Board is responsible for overseeing the establishment and implementation of the risk management system, and for the reviewing and assessing the effectiveness of the Company's implementation of that system on a regular basis.

Directors' Report
30 June 2024

Risk Management (continued)

The Board and senior management continue to identify the general areas of risk and their impact on the activities of the Company. The Board has established a formal process in relation to the maintenance of an internal risk register which is updated and reviewed by the Board at its monthly meetings. The potential risk areas for the Company include:

- reliance on key personnel
  - Implement succession planning and retention strategies.
  - Ensure cross-training and knowledge-sharing to mitigate risks associated with reliance on specific individuals.
- efficacy, safety and regulatory risks of medical devices
  - Maintain a rigorous quality assurance program and adhere to all relevant regulatory standards.
  - Conduct ongoing clinical trials, post-market surveillance, and regulatory monitoring.
- financial position of the Company and the financial outlook;
  - Diversify revenue streams, conduct regular financial forecasting, and build financial reserves.
  - Monitor cash flow and manage liquidity prudently.
- domestic and global economic outlook and share market activity;
  - Diversify market presence across regions and sectors.
  - Monitor economic indicators and adjust strategies accordingly.
- changing government policy (Australian and overseas);
  - Engage with policymakers, monitor policy changes, and adapt strategies as needed.
  - Diversify operations to mitigate the impact of policy shifts in any single jurisdiction.
- competitors' products and research and development programs;
  - Invest in R&D, market analysis, and strategic partnerships to stay competitive.
- market demand and market prices for medical device technologies;
  - Continuously analyze market trends, adjust pricing strategies, and diversify product offerings.
- environmental regulations;
  - Comply with environmental regulations and adopt sustainable practices.
- ethical issues relating to medical device research and development;
  - Establish a code of ethics and ensure ethical practices in all R&D activities.
- the status of partnership and contractor relationships;
  - Maintain strong relationships through due diligence, communication, and contingency planning.

Directors' Report
30 June 2024

Risk Management (continued)

- other government regulations including those specifically relating to the biomedical and health industries; and
  - Stay informed of changes in regulations and ensure compliance.
- occupational health and safety and equal opportunity law.
  - Regularly update workplace safety protocols, conduct audits, and promote a culture of inclusivity.

The above list of risk areas ought not to be taken as an exhaustive one of the risks faced by the Company or by investors in the Company. The above areas, and others not specifically referred to above, may in the future materially affect the financial performance of the Company.

The Board and Management will continue to perform a regular review of the following:

- the major risks that occur within the business;
- the degree of risk involved;
- the current approach to managing the risk; and
- where appropriate, determine:
  - any inadequacies of the current approach; and
  - possible new approaches that more efficiently and effectively address the risk.

Healthcare Technology Companies – Inherent Risks

Some of the risks inherent in the development of medical device products to a marketable stage include the uncertainty of patent protection and proprietary rights, whether patent applications and issued patents will offer adequate protection to enable product development or may infringe intellectual property rights of other parties, the obtaining of the necessary regulatory authority approvals and difficulties caused by the rapid advancements in technology.

Also a particular medical device may fail the clinical development process through lack of efficacy or safety. Companies such as Respiri Limited are dependent on the success of their medical devices and on the ability to attract funding to support these activities.

Investment in healthcare technology including medical devices cannot be assessed on the same fundamentals as trading and manufacturing enterprises and thus investment in these areas must be regarded as speculative taking into account these considerations.

Directors' Report
30 June 2024

Meetings of Directors

A number of formal meetings were held during the year as tabled below:

	Directors' Meetings	
	Number eligible to attend	Number attended
Mr Nicholas Smedley	9	9
Mr Marjan Mikel	9	9
Dr Tom Takubo	6	3
Mr Brad Snow	3	3
Mr Brian Leedman	3	3

For the date of appointment and resignation of each Director and Executive, please refer to the Remuneration Report section of the Directors’ Report.

Indemnification of Officers and Auditors

During the financial year, the Company maintained an insurance policy to indemnify Directors and Officers against certain liabilities incurred as such a Director or Officer, including costs and expenses associated in successfully defending legal proceedings. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

The Company has not otherwise, during or since the financial year, indemnified or agreed to indemnify the Auditor of the Company or any related body corporate against a liability incurred as such an Officer or Auditor.

Proceedings on Behalf of the Company

No proceedings have been brought or intervened in on behalf of the Company with leave of the Court under section 237 of the *Corporations Act 2001*.

Non-audit Services

The Company may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Company and/or the Group are important.

During the year ended 30 June 2024 the Company did not engage the external auditor to provide non-audit services.

Auditor's Independence Declaration

The auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001* for the year ended 30 June 2024 has been received and can be found on page 18 of the financial report.

Directors' Report
30 June 2024

Share Options on Issue as at the Date of this Report

The unissued ordinary shares of Respiri Limited under option as at the date of this report were:

Unlisted options

Class	ASX Code	Date of Expiry	Exercise Price $	No. under Option
02	RSHAG	31 Dec 2024	0.03	6,000,000
09	RSHAC	30 Sep 2024	0.20	30,000,000
17	RSHAC	15 Jun 2026	0.30	8,000,000
18	RSHAAA	17 Dec 2025	0.30	65,000,000
19	RSHAAA	17 Dec 2025	0.30	10,000,000
20	RSHAAB	31 Jan 2027	0.20	3,200,000
21	RSHAAC	09 Jun 2027	0.10	2,000,000
22	RSHAI	01 Mar 2025	0.10	5,000,000
23	RSHAJ	01 Mar 2025	0.20	10,000,000
24	RSHAAD	31 Dec 2024	0.10	2,500,000
24	RSHAADI	30 Jun 2025	0.10	5,000,000
24	RSHAAD	31 Dec 2025	0.10	2,500,000
24	RSHAAD	30 Nov 2025	0.10	1,000,000
24	RSHAAD	30 Nov 2025	0.10	1,500,000
24	RSHAAD	31 Jan 2026	0.10	1,000,000
24	RSHAAD	30 Jun 2026	0.20	2,500,000
24	RSHAAD	31 Dec 2026	0.20	2,500,000
28	RSHAAG	30 Jun 2028	0.12	30,000,000
29	RSHAAH	30 Jun 2028	0.12	30,000,000

Please refer to note 26 for further details regarding the above unlisted options on issue as at 30 June 2024.

Listed options

Class	ASX Code	Date of Expiry	Exercise Price $	No. under Option
25	RSHO	30 Jun 2025	0.065	76,470,409

There were no listed options outstanding at the reporting date,

Corporate Governance

In recognising the need for the highest standards of corporate behaviours and accountability, the Directors of Respiri support and adhere to good corporate governance practices. The Company's Corporate Governance Statement is available on the Company's website at www.Respiri.co.

Remuneration Report (Audited)

This Remuneration Report outlines the Director and Executive remuneration arrangements of the Company as required by the *Corporations Act 2001* and its Regulations.

This report details the nature and amount of remuneration of each Director of Respiri Limited and all other Key Management Personnel.

Directors' Report
30 June 2024

Remuneration Report (Audited) (continued)

For the purposes of this report, Key Management Personnel (KMP) are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Company, directly or indirectly, including any Director (whether Executive or otherwise) of the Company.

For the purposes of this report, the term 'executive' encompasses the Executive Chairman.

Names	Position	Appointment/Resignation
Directors		
Mr Marjan Mikel	CEO	Appointed on 2nd December 2019
	Executive Director	Appointed on 25th November 2019
Mr Nicholas Smedley	Executive Chairman	Appointed on 30th October 2019
Dr Tom Takubo	Non-Executive Director	Appointed on 11th December 2023
Mr Brad Snow	Non-Executive Director	Resigned on 11th December 2023
Mr Brian Leedman	Non-Executive Director	Resigned on 3rd November 2023
Other KMP		
Mr George Vlachodimitropoulos	Chief Technology Officer	Appointed on 23rd August 2021
Dr Samaneh Sarraf Shirazi	Chief Research Officer	Appointed on 4th February 2019
Mr Peter Hildebrandt	Chief Operating Officer	Appointed on 1st November 2020
Mr Theo Antonopoulos	Chief Commercial Officer	Appointed on 7th June 2021

Remuneration Policy

Remuneration of all Non-Executive Directors and Officers of the Company is determined by the Board following recommendation by the Remuneration and Nomination Committee.

The Company is committed to remunerating Executive Directors in a manner that is market-competitive and consistent with "Best Practice" including the interests of shareholders. Remuneration packages are based on fixed and variable components, determined by the Executives' position, experience and performance, and may be satisfied via cash or equity.

Non-Executive Directors are remunerated out of the aggregate amount limit approved by shareholders and at a level that is consistent with industry standards. Non-Executive Directors do not receive performance based bonuses and prior Shareholder approval is required to participate in any issue of equity. No retirement benefits are payable other than statutory superannuation, if applicable.

Voting and comments made at the Company’s Annual General Meeting

The Company did not receive any specific feedback at the AGM or throughout 2024 on its remuneration practices. The Remuneration Report was adopted at the 2023 AGM by more than 98% of eligible votes received.

Remuneration Policy Versus Company Financial Performance

Directors have been compensated for work undertaken and the responsibilities assumed in being Directors of this publicly listed company based on industry practice. Consistently with good corporate governance practices, compensation of Non-Executive Directors is not linked to specific performance hurdles or objectives.

Directors' Report
30 June 2024

Remuneration Report (Audited) (continued)

This pattern is indicative of the Company's performance over the past five years. Accordingly, no dividends have been paid during the year, or in respect of the 2024 financial year.

	Net (Loss)/ Profit $	Share Price at Balance Sheet Date $	Loss per Share $ (cents)
Financial Year			
2024	(7,129,247)	0.03	(0.70)
2023	(5,775,290)	0.04	(0.72)
2022	(6,624,313)	0.06	(0.91)
2021	(11,040,347)	0.07	(1.58)
2020	(7,260,935)	0.09	(1.27)

Performance Based Remuneration

The purpose of a performance bonus is to reward individual performance in line with Company objectives. Consequently, performance based remuneration is paid to an individual where the individual's performance clearly contributes to a successful outcome for the Company. This is regularly measured in respect of performance against key performance indicators (KPI's).

The Company uses a variety of short-term and long-term KPI's to determine achievement, depending on the role of the executive or director being assessed and the particular KPI being targeted.

These include:

- successful contract negotiations;
- company share price consistently reaching a targeted rate on the ASX or applicable market over a period of time; and
- completion of set milestones.

The Non-Executive Directors do not receive performance-based remuneration.

Directors' Report
30 June 2024

Remuneration Report (Audited) (continued)

Details of Remuneration for the Year Ended 30 June 2024

The remuneration for each Director and each of the other Key Management Personnel of the consolidated entity during the year was as follows:

	Short-term Employee Benefits		Long-term Employee Benefits		Share-based payments	
	Cash salary and fees	Annual leave	Superannuation contribution	Long service leave	Shares/ Options	
2024	**$**	**$**	**$**	**$**	**$**	**$**
Directors						
Mr Marjan Mikel	428,306	36,350	27,500	23,937	242,290	758,383
Mr Nicholas Smedley	245,455	-	-	-	242,290	487,745
Dr Tom Takubo*	-	-	-	-	-	-
Mr Brad Snow**	31,109	-	-	-	-	31,109
Mr Brian Leedman***	53,913	-	5,930	-	-	59,843
Other KMP						
Mr George Vlachodimitropoulos	250,000	3,700	27,500	3,545	-	284,745
Mr Theo Antonopoulos	275,000	(7,002)	27,500	7,158	-	302,656
Mr Peter Hildebrandt	235,000	8,395	25,850	7,308	-	276,553
Dr Samaneh Sarraf Shirazi	176,459	8,716	19,410	3,428	-	208,013
	1,695,242	**50,159**	**133,690**	**45,376**	**484,580**	**2,409,047**

* Appointed on 11th December 2023

** Resigned on 11th December 2023

*** Resigned on 3rd November 2023

	Short-term Employee Benefits		Long-term Employee Benefits		Share-based payments	
	Cash salary and fees	Annual leave	Superannuation contribution	Long service leave	Shares/ Options	
2023	**$**	**$**	**$**	**$**	**$**	**$**
Directors						
Mr Marjan Mikel	428,306	3,295	25,292	-	116,321	573,214
Mr Nicholas Smedley	245,455	-	-	-	64,766	310,221
Mr Brad Snow	95,269	-	-	-	-	95,269
Mr Brian Leedman	13,914	-	1,530	-	-	15,444
Other KMP						
Mr George Vlachodimitropoulos	250,000	9,616	25,292	-	7,304	292,212
Mr Theo Antonopoulos	275,000	13,750	25,292	-	21,848	335,890
Mr Peter Hildebrandt	235,000	3,163	24,675	-	34,297	297,135
Dr Samaneh Sarraf Shirazi	176,458	679	18,528	20,687	-	216,352
	1,719,402	30,503	120,609	20,687	244,536	2,135,737

Directors' Report
30 June 2024

Remuneration Report (Audited) (continued)

At Risk Income as a Proportion of Total Remuneration

All Executive Directors and other key management personnel are eligible to receive incentives whether through employment contracts or by the recommendation of the Board. Their performance payments are based on a set monetary value, set number of shares or options or as a portion of base salary. Therefore, there is no fixed proportion between incentive and non-incentive remuneration. Entitlement to these payments does not depend on the future performance of the Company.

Non-Executive Directors are not entitled to receive bonuses and/or incentives.

The relative proportions of remuneration income that are at risk, and those that are fixed, are as follows:

	Fixed Remuneration		At Risk - STI		At Risk - LTI	
	2024	2023	2024	2023	2024	2023
	%	%	%	%	%	%
Directors						
Mr Marjan Mikel (appointed on 25 November 2019)	**68**	80	**-**	-	**32**	20
Mr Nicholas Smedley (appointed on 30 October 2019)	**50**	79	**-**	-	**50**	21
Mr Brad Snow (resigned on 11 December 2023)	**100**	100	**-**	-	**-**	-
Mr Brian Leedman (resigned on 3 November 2023)	**100**	100	**-**	-	**-**	-
Other Key Management Personnel						
Mr George Vlachodimitropoulos (appointed on 23 August 2021)	**100**	97	**-**	-	**-**	3
Mr Theo Antonopoulos (appointed 7 June 2021)	**100**	93	**-**	-	**-**	7
Mr Peter Hildebrandt (appointed 1 November 2020)	**100**	88	**-**	-	**-**	12
Dr Samaneh Sarraf Shirazi (appointed 4 February 2019)	**100**	100	**-**	-	**-**	-

At risk long-term incentive (LTI) relates to remuneration in the form of share based payments, which are subject to vesting conditions based on length of service. At risk short-term incentive (STI) relates to discretionary bonuses approved by the board in respect of performance during the relevant year.

Share-based Compensation

At the General Meeting held on 31 October 2013, Shareholders approved the establishment of the 2013 Employees', Directors' and Consultants' Share and Option Plan (ESOP). The ESOP is intended to reward Directors, employees and/or consultants for their contributions to the Group. The Plan is to be used as a method of retaining key personnel for the growth and development of the Group. Due to the Group's presence in USA, the Plan has been established to benefit personnel in Australia and USA.

Directors' Report
30 June 2024

Remuneration Report (Audited) (continued)

Share-based Compensation (continued)

The terms and conditions of each grant of options affecting Director and other Key Management Personnel remuneration in the current or future reporting periods are as follows:

Grant Date	Date Vested & Exercisable	Expiry Date	Exercise Price $	Share Price Hurdle	Fully Vested	Value per Option at Grant Date $
14 Dec 2017	1 Jul 2020	31 Dec 2024	0.03	0.15	Yes	0.092
16 Jun 2020	30 Sep 2021	30 Sep 2024	0.20	N/A	Yes	0.031
26 May 2020	15 Jun 2022	15 Jun 2026	0.30	N/A	Yes	0.020
21 Dec 2020	21 Dec 2020	17 Dec 2025	0.30	N/A	Yes	0.022
22 Feb 2022	31 Jan 2023	31 Jan 2027	0.20	N/A	Yes	0.002
9 Jun 2022	9 Jun 2023	9 Jun 2027	0.10	N/A	Yes	0.008
1 May 2024	30 Jun 2024	30 Jun 2028	0.08	N/A	Yes	0.009
1 May 2024	30 Jun 2024	30 Jun 2028	0.12	N/A	Yes	0.006

Options granted under the plan carry no dividend or voting rights until exercised into ordinary fully paid shares.

When exercisable, each option is convertible into one ordinary share as soon as practical after the receipt by the Company of the completed exercise form and full payment of the exercise price.

The exercise price of options granted under this plan shall be determined by the Committee in its sole discretion.

The plan rules contain a restriction on removing the 'at risk' aspect of the instruments granted to executives. Plan participants may not enter into any transaction designed to remove the 'at risk' aspect of an instrument before it vests.

The total value of options granted to the directors in the current year is $440,546.74. Cancelled options during the year relating to Key Management Personnel have a total value of $2,662,326.82.

Details of options over ordinary shares in the Company provided as remuneration to each Director of the Company and each of the other Key Management Personnel are set out below:

	Number of Options Granted During the Year		Number of Options Forfeited/ Lapsed/ Cancelled/ Exercised During the Year		Number of Options Vested During the Year	
	2024	2023	2024	2023	2024	2023
Directors						
Mr Marjan Mikel	30,000,000	-	30,000,000	15,000,000	30,000,000	-
Mr Nicholas Smedley	30,000,000	-	30,000,000	7,500,000	30,000,000	-
Dr Tom Takubo	-	-	-	-	-	-
Mr Brad Snow	-	-	-	-	-	-
Mr Brian Leedman	-	-	-	-	-	-
Other Key Management Personnel						
Mr George Vlachodimitropoulos	-	-	800,000	-	-	2,500,000
Mr Theo Antonopoulos	-	-	2,000,000	-	-	3,000,000
Mr Peter Hildebrandt	-	-	2,000,000	-	-	2,000,000
Dr Samaneh Sarraf Shirazi	-	-	-	2,000,000	-	-
	60,000,000	-	**64,800,000**	24,500,000	**60,000,000**	7,500,000

Directors' Report
30 June 2024

Remuneration Report (Audited) (continued)

Share-based Compensation (continued)

Refer to Page 15 for closing balance of options held by each Director and other Key Management Personnel of Respiri Limited, including their personally related parties, as at 30 June 2024.

(a) Shareholdings

The number of fully paid ordinary shares in the Company held during the financial year by each Director and other Key Management Personnel of Respiri Limited, including shares held indirectly by them personally, are set out below:

	Balance at Start of the Year	Granted as Compensation	Shares from Options Exercised	Change due to resignation	Net Change Other		Balance at End of the Year
30 June 2024							
Directors							
Mr Marjan Mikel	4,558,687	-	-	-	-	(a)	4,558,687
Mr Nicholas Smedley	15,459,668	-	-	-	800,294	(b)	16,259,962
Mr Brad Snow	-	-	-	-	-		-
Mr Brian Leedman	620,068	-	-	(620,068)	-		-
Dr Tom Takubo	-	-	-	-	-		-
Other Key Management Personnel							
Mr George Vlachodimitropoulos	-	-	-	-	-		-
Mr Theo Antonopoulos	-	-	-	-	-		-
Mr Peter Hildebrandt	-	-	-	-	-		-
Dr Samaneh Sarraf Shirazi	-	-	-	-	-		-
	20,638,423	**-**	**-**	**(620,068)**	**800,294**		**20,818,649**

a) At year end, 2,740,506 shares are held directly, 1,818,181 held indirectly.

b) At year end, nil shares are held directly and 16,259,962 held indirectly.

	Balance at Start of the Year	Granted as Compensation	Shares from Options Exercised	Change due to resignation	Net Change Other	Balance at End of the Year
30 June 2023						
Directors						
Mr Marjan Mikel	3,308,687	-	-	-	1,250,000	4,558,687
Mr Nicholas Smedley	14,209,668	-	-	-	1,250,000	15,459,668
Mr Brad Snow	-	-	-	-	-	-
Dr Thomas Duthy	-	-	-	-	620,068	620,068
Other Key Management Personnel						
Mr Philippe Ludekens	-	-	-	-	-	-
Mr Peter Hildebrandt	-	-	-	-	-	-
Mr Theo Antonopoulos	-	-	-	-	-	-
Dr Samaneh Sarraf Shirazi	-	-	-	-	-	-
	17,518,355	-	-	-	3,120,068	20,638,423

a) At year end, 2,740,506 shares are held directly, 1,818,181 held indirectly.

b) At year end, nil shares are held directly and 15,459,668 held indirectly.

c) At year end, nil shares are held directly and 620,068 held indirectly.

Directors' Report
30 June 2024

Remuneration Report (Audited) (continued)

(b) Options and Rights

The number of options over ordinary shares in the Company held during the financial year by each Director and other Key Management Personnel of Respiri Limited, including their personally related parties, are set out below:

	Balance at Start of the Year	Granted as Compensation	Options Exercised	Net Change Other	Balance at End of the Year	Vested and Exercisable	Unvested
30 June 2024							
Directors							
Mr Nicholas Smedley	70,000,000	30,000,000	-	(30,000,000) (a)	70,000,000	70,000,000	-
Mr Marjan Mikel	75,000,000	30,000,000	-	(30,000,000) (b)	75,000,000	75,000,000	-
Mr Brad Snow	-	-	-	-	-	-	-
Mr Brian Leedman	-	-	-	-	-	-	-
Dr Tom Takubo	-	-	-	-	-	-	-
Other Key Management Personnel							
Mr George Vlachodimitropoulos	2,500,000	-	-	(800,000)	1,700,000	1,700,000	-
Mr Theo Antonopoulos	3,000,000	-	-	(2,000,000)	1,000,000	1,000,000	-
Mr Peter Hildebrandt	2,000,000	-	-	(2,000,000)	-	-	-
Dr Samaneh Sarraf Shirazi	-	-	-	-	-	-	-
	152,500,000	**60,000,000**	**-**	**(64,800,000)**	**147,700,000**	**147,700,000**	**-**

a) 30,000,000 options granted on 16/06/2020 have been cancelled. In 01 May 2024, 30,000,000 have been granted.

b) 30,000,000 options granted on 16/06/2020 have been cancelled. In 01 May 2024, 30,000,000 have been granted.

	Balance at Start of the Year	Granted as Compensation	Options Exercised	Net Change Other	Balance at End of the Year	Vested and Exercisable	Unvested
30 June 2023							
Directors							
Mr Nicholas Smedley	77,500,000	-	-	(7,500,000) (a)	70,000,000	60,000,000	10,000,000
Mr Marjan Mikel	90,000,000	-	-	(15,000,000) (a)	75,000,000	60,000,000	15,000,000
Dr Thomas Duthy	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
Other Key Management Personnel							
Mr George Vlachodimitropoulos	2,500,000	-	-	- (b)	2,500,000	2,500,000	-
Mr Theo Antonopoulos	3,000,000	-	-	- (b)	3,000,000	3,000,000	-
Mr Peter Hildebrandt	2,000,000	-	-	- (b)	2,000,000	2,000,000	-
Dr Samaneh Sarraf Shirazi	2,000,000	-	-	(2,000,000) (b)	-	-	-
	177,000,000	**-**	**-**	**(24,500,000)**	**152,500,000**	**127,500,000**	**25,000,000**

a) 15,000,000 options granted to Marjan Mikel and 7,500,000 granted to Nicholas Smedley were cancelled via mutual agreement with the company on 13th October 2022.

b) 20,000,000 unlisted options were granted to senior management personnel at the May 2020 EGM. As at 30 June 2023, of the total granted, 8,000,000 options with a fair value of $159,573 have not yet been formally allotted.

Directors' Report
30 June 2024

Remuneration Report (Audited) (continued)

The Directors and other Key Management Personnel are subject to service agreements with normal commercial terms and conditions. The key terms of these agreements are set out below:

Duration	**On-going term**
Periods of Notice Required to Terminate	In the case of: - Marjan Mikel, four weeks' notice of termination by the employee and the Company; - George Vlachodimitropoulos, four weeks' notice of termination by the employee and the Company; - Theo Antonopoulos, four weeks' notice of termination by the employee and the company; - Peter Hildebrandt, four weeks' notice of termination by the employee and the Company; and - Samaneh Shirazi, four weeks' notice of termination by the employee and the Company.
Fixed Remuneration	- Nicholas Smedley, $245,455 annual direcor fee exclusive of GST - Marjan Mikel, $428,306 annual salary and minimum superannuation - George Vlachodimitropoulos, $250,000 annual salary and minimum superannuation - Theo Antonopoulos, $275,000 annual salary and minimum superannuation - Peter Hildebrandt, $235,000 annual salary and minimum superannuation - Samaneh Shirazi, $176,458 annual salary and minimum superannuation

Other transactions with Key Management Personnel

The Group had the following transactions with Even More Capital, of which Nicholas Smedley is a Director.

	2024	**2023**
	$	**$**
Capital advisory costs	**312,532**	231,500
Loan related payables	**268,959**	-
Travel related costs	**6,899**	24,986
	588,390	256,486

This is the end of the Audited Remuneration Report.

Directors' Report
30 June 2024

This director's report, incorporating the remuneration report, is signed in accordance with a resolution of the Board of Directors.

Mr Nicholas Smedley
Executive-Chairman

Dated this 20th day of September 2024

Melbourne, Australia

William Buck
ACCOUNTANTS & ADVISORS

Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the directors of Respiri Limited

As lead auditor for the audit of Respiri Limited for the year ended 30 June 2024, I declare that, to the best of my knowledge and belief, there have been:

— no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and

— no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Respiri Limited and the entities it controlled during the year.

William Buck

William Buck Audit (Vic) Pty Ltd
ABN 59 116 151 136

A. A. Finnis
Director
Melbourne, 20 September 2024

Level 20, 181 William Street, Melbourne VIC 3000
+61 3 9824 8555
vic.info@williambuck.com
williambuck.com

Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 30 June 2024

	Note	2024 $	2023 $
Revenue			
Operating revenue	3	**456,914**	74,773
Other income		**581,603**	587,330
Total revenue		**1,038,517**	662,103
Expenses			
Consulting, employee and director	4	**(3,908,544)**	(3,639,567)
Share-based payment	4,26	**(537,236)**	(335,675)
Corporate administration		**(2,795,572)**	(1,375,868)
Depreciation		**(64,033)**	(77,293)
Marketing and promotion		**(173,391)**	(216,402)
Finance expenses		**(65,015)**	(15,000)
Research and development		**(137,132)**	(377,725)
Travel		**(482,984)**	(334,260)
Device cost		**(3,857)**	(65,603)
Loss before income tax for the year		**(7,129,247)**	(5,775,290)
Income tax expense	5	**-**	-
Loss after income tax for the year		**(7,129,247)**	(5,775,290)
Other comprehensive income, net of income tax			
Items that may be reclassified to the profit or loss			
Exchange differences on translation of foreign operations		**(43,508)**	(554)
Total comprehensive loss for the year		**(7,172,755)**	(5,775,844)
Loss attributable to:			
Members of the parent entity		**(7,129,247)**	(5,775,290)
Total comprehensive loss attributable to:			
Members of the parent entity		**(7,172,755)**	(5,775,844)
Basic loss per share (cents)	8	**(0.70)**	(0.72)
Diluted loss per share (cents)	8	**(0.70)**	(0.72)

Statement of Financial Position

As At 30 June 2024

	Note	2024 $	2023 $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	10	**762,874**	146,162
Trade and other receivables	11	**253,138**	47,244
Inventories	13	**2,751,565**	2,621,644
Other assets	14	**266,863**	189,940
TOTAL CURRENT ASSETS		**4,034,440**	3,004,990
NON-CURRENT ASSETS			
Plant and equipment	15	**21,708**	31,338
Right-of-use assets	16	**95,278**	144,988
Intangible assets	17	**2,039,490**	-
TOTAL NON-CURRENT ASSETS		**2,156,476**	176,326
TOTAL ASSETS		**6,190,916**	3,181,316
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	18	**1,937,431**	1,663,119
Lease liabilities	19	**58,980**	32,732
Employee benefits	20	**201,358**	182,841
Other financial liabilities	21	**1,176,563**	294,683
Contract liabilities		**51,765**	64,653
TOTAL CURRENT LIABILITIES		**3,426,097**	2,238,028
NON-CURRENT LIABILITIES			
Lease liabilities	19	**57,419**	116,398
Employee benefits	20	**70,460**	-
TOTAL NON-CURRENT LIABILITIES		**127,879**	116,398
TOTAL LIABILITIES		**3,553,976**	2,354,426
NET ASSETS		**2,636,940**	826,890
EQUITY			
Issued capital	22	**140,545,172**	132,099,603
Reserves	23	**3,702,720**	6,779,822
Accumulated losses		**(141,610,952)**	(138,052,535)
TOTAL EQUITY		**2,636,940**	826,890

Statement of Changes in Equity
For the Year Ended 30 June 2024

2024

	Issued Capital $	Option Reserve $	Foreign Translation Currency Reserve $	Accumulated Losses $	Total $
Balance at 1 July 2023	132,099,603	6,780,376	(554)	(138,052,535)	826,890
Loss after income tax expense for the year	-	-	-	(7,129,247)	(7,129,247)
Other comprehensive income for the year, net of tax	-	-	(43,508)	-	(43,508)
Transactions with Equity holders in their capacity as Equity holders					
Shares issued	9,779,534	-	-	-	9,779,534
Capital raising costs	(1,333,965)	-	-	-	(1,333,965)
Options issued	-	455,939	-	-	455,939
Expiry of Share Based Payments	-	(3,570,830)	-	3,570,830	-
Share-based payment expense	-	81,297	-	-	81,297
Balance at 30 June 2024	140,545,172	3,746,782	(44,062)	(141,610,952)	2,636,940

Statement of Changes in Equity

For the Year Ended 30 June 2024

2023

	Issued Capital	Option Reserve	Foreign Translation Currency Reserve	Accumulated Losses	Total
	$	$	$	$	$
Balance at 1 July 2022	128,840,331	7,480,008	-	(133,312,552)	3,007,787
Loss after income tax expense for the year	-	-	-	(5,775,290)	(5,775,290)
Other comprehensive income for the year, net of tax	-	-	(554)	-	(554)
Transactions with Equity holders in their capacity as Equity holders					
Shares issued	3,650,600	-	-	-	3,650,600
Capital raising costs	(391,328)	-	-	-	(391,328)
Expiry of Share Based Payments	-	(1,035,307)	-	1,035,307	-
Share-based payment expense	-	335,675	-	-	335,675
Balance at 30 June 2023	132,099,603	6,780,376	(554)	(138,052,535)	826,890

Statement of Cash Flows

For the Year Ended 30 June 2024

	Note	2024 $	2023 $
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers		**130,994**	135,086
Payments to suppliers and employees (inclusive of GST)		**(7,357,506)**	(5,216,842)
Interest received		**3,559**	4,240
Grant income		**36,600**	36,600
R&D tax refund		**545,003**	550,730
Net cash used in operating activities	25	**(6,641,350)**	(4,490,186)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Payments for purchases of plant and equipment		**-**	(21,801)
Payment for purchase of business		**(1,887,077)**	-
Net cash used in investing activities		**(1,887,077)**	(21,801)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from issues of securities		**8,808,757**	3,650,600
Capital raising costs		**(559,852)**	(391,328)
Borrowings		**880,000**	200,000
Net cash provided by financing activities		**9,128,905**	3,459,272
Net increase/(decrease) in cash and cash equivalents held		**600,478**	(1,052,715)
Cash and cash equivalents at beginning of year		**146,162**	1,217,271
Effects of exchange rate changes on cash and cash equivalents		**16,234**	(18,394)
Cash and cash equivalents at end of financial year	10	**762,874**	146,162

Notes to the Financial Statements
For the Year Ended 30 June 2024

1 Material Accounting Policy Information

The accounting policies that are material to the consolidated entity are set out below. The accounting policies adopted are consistent with those of the previous financial year, unless otherwise stated.

Corporate Information

Respiri Limited is a listed public company limited by shares incorporated and domiciled in Australia whose shares are publicly traded on the Australian Stock Exchange.

The addresses of its registered office and principal place of business are disclosed in company details.

The principal activities of the Company are the research, development and commercialisation of medical devices, and the production of mobile health applications. The Company is a for-profit company.

The financial report of Respiri Limited (the Company) for the year ended 30 June 2024 was authorised for issue in accordance with a resolution of the Directors on 18th September 2024.

Statement of Compliance

The financial report covers Respiri Limited as a consolidated entity consisting of Respiri Limited and the entities it controlled during the year.

The financial report complies with Australian Accounting Standards, as issued by the Australian Accounting Standards and with International Financial Reporting Standards ('IFRS') as issued by the International Accounting Standards Board (IASB).

Basis of Preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the *Corporations Act 2001*, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

Historical cost convention

The financial statements have been prepared under the historical cost.

Parent entity information

In accordance with the *Corporations Act 2001*, these financial statements present the results of the consolidated entity only. Supplementary information about the parent entity is disclosed in note 2.

Going Concern Basis

The financial statements have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and discharge of liabilities in the normal course of business.

As disclosed in the financial statements, the Group incurred a loss of $7,129,247 (2023: loss of $5,775,290) and had net cash outflows from operating activities of $6,641,350 (2023: net operating cash outflows of $4,490,186) for the year ended 30 June 2024.

Notes to the Financial Statements
For the Year Ended 30 June 2024

1 Material Accounting Policy Information (continued)

Going Concern Basis (continued)

The Directors believe that there are reasonable grounds to believe that the Group will be able to continue as a going concern, after consideration of the following factors.

- As described in note 17, based on the recent uptake in patient numbers revenue is expected to grow significantly over the next financial year assisting the Group's cashflow position. For years 2-5 of the model revenue growth has been assessed at 40% per annum on average.

- The Group has prepared budgets and cash flow forecast for the next 12 months from the date of this report which indicate the Group will have a positive cash balance during this period. The cash flow forecasts include further capital raising over the next 12 months.

- As described in note 27 the Group successfully raised $2,997,000 cash post period end through a placement offering and converted $1,100,000 loan into equity. The group is also expecting to receive an R&D tax offset of $611,282 in the second quarter.

- The Directors believe that there are reasonable ground to expect that the Group has the capacity to raise capital. The Group has a strong track record of accessing capital when it is required to advance its portfolio.

In the event that capital raising be unsuccessful and insufficient funds are available to extinguish the debts, there is a material uncertainty which may cast significant doubt as to whether the Group will continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

Accordingly, the Directors believe that the Group will be able to continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial report..

The financial report does not include any adjustments relating to the amounts or classification of recorded assets or liabilities that might be necessary if the Group does not continue as a going concern.

(a) Business combinations

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

Acquisition-related costs are expensed as incurred.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.

Notes to the Financial Statements
For the Year Ended 30 June 2024

1 Material Accounting Policy Information (continued)

(a) Business combinations (continued)

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in profit or loss.

(b) Basis for consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries) (referred to as "the Company" in these financial statements). Control is achieved where the consolidated entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity. They are de-consolidated from the date that control ceases.

All intra-group transactions, balances, income and expenses are eliminated in full on consolidation. In the separate financial statements of the Company, intra-group transactions ('common control transactions') are generally accounted for by reference to the existing book value of the items. Where the transaction value of common control transactions differ from their consolidated book value, the difference is recognised as a contribution by or distribution to equity participants by the transacting entities.

Accounting policies of subsidiaries have been changed where necessary to ensure consistency with those policies applied by the parent entity. Subsidiaries are accounted for at cost in the parent entity.

The results of subsidiaries acquired or disposed of during the year are included in profit or loss from the effective date of acquisition or up to the effective date of disposal, as appropriate.

(c) Inventories

Raw materials, work in progress and finished goods are stated at the lower of cost and net realisable value on a ‘weighted average’ basis. The cost of inventories comprises cost of purchase and costs incurred in bringing inventories to their present location and condition. Cost of purchased inventories is determined after deducting rebates and discounts received or receivable.

Net realisable value is the estimated selling price in the ordinary course of business less estimated costs of completion and the estimated selling costs.

The Company periodically evaluates the condition and age of inventories and makes provisions for slow moving inventories accordingly.

If in a particular period production is not at normal capacity, the costs of inventories does not include additional fixed overheads in excess of those allocated based on normal capacity. Such unallocated overheads are recognised as an expense in Profit or Loss in the period in which they are incurred. Furthermore, cost of inventories does not include abnormal amounts of materials, labour or other costs resulting from inefficiency.

(d) Plant and equipment

Plant and equipment is stated at cost, less accumulated depreciation and impairment.

Notes to the Financial Statements
For the Year Ended 30 June 2024

1 Material Accounting Policy Information (continued)

(d) Plant and equipment (continued)

Cost includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to Profit or Loss during the financial period in which they are incurred.

Depreciation

The depreciable amount of all plant and equipment is depreciated on a straight-line basis commencing from the time the asset is held ready for use.

The depreciation rates used for each class of depreciable asset are shown below:

Fixed asset class	Depreciation rate
Furniture and Fittings	6 - 15%
Computer Equipment	15 - 33%
Medical Equipment	15%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in profit or loss.

(e) Intangibles

Intellectual property

The amortisation period and the amortisation method for an intangible asset is reviewed at least at the end of each reporting period. If the expected useful life of the asset is different from the previous estimates, the amortisation shall be changed accordingly. Such changes are accounted for as changes in accounting estimates.

Goodwill

Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes, being the operating segments.

Notes to the Financial Statements
For the Year Ended 30 June 2024

1 Material Accounting Policy Information (continued)

(e) Intangibles (continued)

Software

Costs associated with maintaining software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the software so that it will be available for use
- management intends to complete the software and use or sell it
- there is an ability to use or sell the software
- it can be demonstrated how the software will generate probable future economic benefits
- adequate technical, financial and other resources to complete the development and to use or sell the software are available, and
- the expenditure attributable to the software during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the software include employee costs and an appropriate portion of relevant overheads.

Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is ready for use, over their useful life.

(f) Foreign currency transactions and balances

Functional and presentation currency

The functional currency of each of the Group's entities is measured using the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Australian dollars which is the parent entity's functional and presentation currency.

Transaction and balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are retranslated at the rates prevailing at the reporting date. Non-monetary items that are measured in terms of historical cost are not retranslated. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined.

Exchange differences arising on the translation of monetary items are recognised in Profit or Loss, except where deferred in equity as a qualifying cash flow or net investment hedge.

Exchange differences arising on the translation of non-monetary items are recognised directly in equity to the extent that the gain or loss is directly recognised in equity, otherwise the exchange difference is recognised in Profit or Loss.

Notes to the Financial Statements
For the Year Ended 30 June 2024

1 Material Accounting Policy Information (continued)

(f) Foreign currency transactions and balances (continued)

Transaction and balances (continued)

For the purpose of presenting these consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into Australian dollars using exchange rates prevailing at the end of the reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity (and attributed to non-controlling interests as appropriate).

Group companies

The financial results and position of foreign operations whose functional currency is different from the Group's presentation currency are translated as follows:

- assets and liabilities are translated at year-end exchange rates prevailing at that reporting date;
- income and expenses are translated at average exchange rates for the period; and
- retained earnings are translated at the exchange rates prevailing at the date of the transaction.

Exchange differences arising on translation of foreign operations are transferred directly to the Group's foreign currency translation reserve in the Statement of Financial Position. These differences are recognised in the Profit or Loss in the period in which the operation is disposed.

(g) Employee benefits

Shared-based payments

Shared-based compensation benefits are provided to employees via the Respiri Limited Employee Option Plan and an employee share scheme.

The fair value of options granted under Respiri Limited Option Share Plan is recognised as an employee benefit expense with a corresponding increase in equity. The fair value is measured at the grant date and recognised over the period during which the employees become unconditionally entitled to the options.

The fair value at grant date was determined using an option pricing model that takes into account the exercise price, the term of the option, the vesting and performance criteria, the impact of dilution, the non-tradeable nature of the option, the share price at grant date and the expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option.

(h) Revenue and other income

The revenue recognition policies for the principal revenue streams of the Group are:

Notes to the Financial Statements
For the Year Ended 30 June 2024

1 Material Accounting Policy Information (continued)

(h) Revenue and other income (continued)

Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the Group is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the Group: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are recognised as a refund liability.

Interest

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets. All revenue is stated net of the amount of goods and services tax (GST).

Sale of goods

Revenue from the sale of goods is recognised at the point in time when the customer obtains control of the goods, which is generally at the time of delivery.

R&D Tax Concession Refunds

R&D Tax concession refunds are recorded as revenue for the year when received, rather than when expenditure was incurred.

(i) New or amended Accounting Standards and Interpretations adopted

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Notes to the Financial Statements
For the Year Ended 30 June 2024

1 Material Accounting Policy Information (continued)

(j) Critical Accounting Estimates and Judgments

The preparation of the financial statements requires the Directors and Management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The estimates and underlying assumptions are continually evaluated. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below:

Share-based payment transactions

The consolidated entity measures the cost of equity-settled transactions with employees and consultants by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using the Black Scholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

Business combination

As discussed in note 1, business combinations are initially accounted for on a provisional basis. The fair value of assets acquired, liabilities and contingent liabilities assumed are initially estimated by the Group taking into consideration all available information at the reporting date. Fair value adjustments on the finalisation of the business combination accounting is retrospective, where applicable, to the period the combination occurred and may have an impact on the assets and liabilities, depreciation and amortisation reported.

Impairment of intangibles

The Group tests annually, or more frequently if events or changes in circumstances indicate impairment, whether goodwill and other indefinite life intangible assets have suffered any impairment, in accordance with the accounting policy stated in note 1. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of assumptions, including estimated discount rates based on the current cost of capital and growth rates of the estimated future cash flows.

Notes to the Financial Statements
For the Year Ended 30 June 2024

2 Parent entity

The following information has been extracted from the books and records of the parent entity and has been prepared in accordance with the accounting standards.

	2024	2023
	$	$
Statement of Financial Position		
Assets		
Current assets	**3,749,480**	2,984,889
Non-current assets	**3,621,597**	270,360
Total Assets	**7,371,077**	3,255,249
Liabilities		
Current liabilities	**3,313,024**	2,228,205
Non-current liabilities	**57,419**	116,398
Total Liabilities	**3,370,443**	2,344,603
Equity		
Issued capital	**141,164,322**	132,099,603
Accumulated losses	**(141,141,622)**	(137,969,333)
Reserves	**3,977,934**	6,780,376
Total Equity	**4,000,634**	910,646
Statement of Profit or Loss and Other Comprehensive Income		
Loss after income tax	**(5,452,270)**	(5,688,260)
Total comprehensive loss	**(5,452,270)**	(5,688,260)

Parent Entity Contingencies and Commitments

The parent entity does not have any contingent liabilities and commitments.

Parent Entity Guarantees in Respect of the Debts of its Subsidiaries

The parent entity has no guarantees in respect of its subsidiaries.

Material accounting policy information

The accounting policies of the parent entity are consistent with those of the consolidated entity as disclosed in note 1.

Notes to the Financial Statements

For the Year Ended 30 June 2024

3 Operating Revenue

	2024 $	2023 $
Operating revenue		
- Wheezo Device Sales	**-**	64,189
- Subscriptions Sales	**39,916**	5,721
- Revenue - RPM Fees	**293,540**	623
- Software fees	**58,616**	-
- OCM Fees	**61,192**	-
- Other charges	**3,650**	4,240
Total Operating Revenue	**456,914**	74,773

	2024 $	2023 $
Timing of revenue recognition		
- At a point in time	**453,264**	6,344
- Over time	**3,650**	68,429
	456,914	74,773

The group derives its sales revenue mostly from the RPM fees and software fees for use of the Wheezo and other devices.

	2024 $	2023 $
Other Income		
- R&D concession (a)	**545,003**	550,730
- Grant income	**36,600**	36,600
	581,603	587,330

a) The value of any claimable R&D tax concession refund with respect to eligible R&D expenditures incurred during the financial year 2024 has not yet been determined and have therefore not been included within the financial statements for financial year 2024.

Notes to the Financial Statements
For the Year Ended 30 June 2024

4 Expenses

	2024 $	2023 $
Consulting, employee and director		
Consulting expenses	**472,462**	523,187
Employee expenses	**2,599,526**	2,306,615
Director expenses	**836,556**	809,765
	3,908,544	3,639,567
Share-based payments		
Options issued to directors	**484,580**	181,087
Options issued to consultants	**52,656**	87,245
Options issued to employees	**-**	67,343
	537,236	335,675
Corporate administration		
Audit and accounting fees	**353,388**	237,143
Foreign exchange loss/(gain)	**9,819**	6,501
Corporate administration expenses	**2,396,715**	1,096,140
Office rentals	**35,650**	36,084
	2,795,572	1,375,868
Depreciation	**64,033**	77,293
Marketing and promotion	**173,391**	216,402
Finance expenses	**65,015**	15,000
Research and development	**137,132**	377,725
Travel	**482,984**	334,260
Device cost	**3,857**	65,603
Total expenses	**8,167,764**	6,437,393

Notes to the Financial Statements

For the Year Ended 30 June 2024

5 Income Tax Expense

(a) The prima facie tax on loss from ordinary activities before the loss is reconciled to the income tax as follows:

	2024	2023
	$	$
Loss before income tax	**(7,129,247)**	(5,775,290)
Tax	**25.00 %**	25.00 %
Income tax benefit calculated	**(1,782,312)**	(1,443,823)
Add:		
Tax effect of amounts which are not deductible in calculating income tax:		
- share-based payments expenses	**121,145**	83,919
- other expenses not deductible	**672,015**	383,864
Other non-assessable income	**(136,250)**	(137,682)
Other deductible items	**(168,330)**	(115,256)
Deferred tax assets relating to tax losses and temporary differences not recognised	**1,293,732**	1,228,978
Income tax expense	**-**	-

(b) Unrecognised deferred tax assets and liabilities

	2024	2023
	$	$
Deferred tax assets and liabilities are attributable to the following:		
- tax losses	**29,556,016**	28,317,452
- prepayments	**(5,155)**	(38,938)
- provision	**61,232**	57,416
- accrual	**44,473**	26,903
	29,656,566	28,362,833

(c) Components of tax expense

The components of tax expense comprise:

	2024	2023
	$	$
Current tax	**-**	-
Deferred tax	**-**	-
Income tax expense	**-**	-

Notes to the Financial Statements
For the Year Ended 30 June 2024

5 Income Tax Expense (continued)

Included in the total of deferred tax assets attributable to tax losses not recognised are tax losses in relation to operations in United States of America, and Australia. Tax losses in Australian entities alone of $45,517,675 (2023: $40,660,793) relate to losses generated from 22 November 2006 to 30 June 2024. The ongoing availability of these tax losses are subject to further review by the Company to ensure compliance with the relevant provisions of Australia Income Tax laws.

6 Key Management Personnel Remuneration

The aggregate compensation made to Directors and other Key Management Personnel of the Consolidated entity is set out below:

	2024	2023
	$	$
Short-term employee benefits	**1,745,401**	1,719,402
Long-term benefits	**45,376**	-
Post-employment benefits	**133,690**	120,610
Share-based payments (Note 26)	**484,580**	244,536
	2,409,047	2,084,548

7 Related Party Transactions

The Group's related parties comprise of subsidiaries and key management personnel.

Disclosures relating to key management personnel are set out in the remuneration report.

Other transactions with related parties

The Group had the following transactions with Even More Capital, of which Nicholas Smedley is a Director.

	2024	2023
	$	$
Capital advisory costs	**312,532**	231,500
Loan related payables	**268,959**	-
Travel related costs	**6,899**	24,986
	588,390	256,486

8 Auditors' Remuneration

	2024	2023
	$	$
Remuneration of Company's auditor, William Buck, for:		
- auditing or reviewing the financial report of the Group	**35,000**	-
Remuneration of Company's former auditor, RSM, for:		
- auditing or reviewing the financial report of the Group	**37,000**	63,336
Total	**72,000**	63,336

Notes to the Financial Statements
For the Year Ended 30 June 2024

9 Loss per Share

	2024 $	2023 $
Basic loss per share (cents)	**(0.70)**	(0.72)
Diluted loss per share (cents)	**(0.70)**	(0.72)
(a) Net loss used in the calculation of basic and diluted loss per share	**(7,129,247)**	(5,775,290)
(b) Weighted average number of ordinary shares outstanding during the period used in the calculation of basic and diluted loss per share	**1,017,630,698**	806,455,278

Potential ordinary shares, including options, are excluded from the weighted average number of shares used in the calculations of basic loss per share as they are considered non-dilutive.

10 Cash and Cash Equivalents

	2024 $	2023 $
Cash at bank	**762,874**	146,162
	762,874	146,162

The interest rates on cash at bank on 30 June 2024 was 4.33% (2023: 4.14%). The Group’s exposure to interest rate risk is discussed in Note 28(b). The maximum exposure to credit risk at the end of the financial year is the carrying amount of each class of cash and cash equivalents mentioned above.

11 Trade and Other Receivables

	2024 $	2023 $
CURRENT		
Trade receivables (a)	**324,630**	2,860
Less: Allowance for expected credit losses	**(90,580)**	-
	234,050	2,860
Other receivables	**19,088**	44,384
	253,138	47,244

a) All amounts are short term. The net carrying value of trade receivables is considered a reasonable approximation of fair value.

Allowance for expected credit losses

Refer to Note 28(c) for more information on the Group's credit risk management policy.

Notes to the Financial Statements
For the Year Ended 30 June 2024

12 Controlled Entities

	Principal place of business / Country of Incorporation	Percentage Owned (%)* 2024	Percentage Owned (%)* 2023
Parent Entity			
Respiri Limited	Australia	**100**	100
Subsidiaries of Respiri Limited			
KarmelSonix Australia Pty Ltd	Australia	**100**	100
Respiri UK Limited	United Kingdom	**100**	100
Respiri USA Inc	United States of America	**100**	100
Access Telehealth	United States of America	**100**	-

*The percentage of ownership interest held is equivalent to the percentage voting rights for all subsidiaries.

13 Inventories

	2024 $	2023 $
CURRENT		
Finished goods	**2,751,565**	2,621,644
	2,751,565	2,621,644

The current year and comparative period Prepaid Materials has been reclassified from Other assets to Inventory.

14 Other assets

	2024 $	2023 $
CURRENT		
Prepayments	**20,622**	155,750
Deposits	**28,486**	28,486
Unexpired interest	**-**	5,704
Share capital receivable	**217,755**	-
	266,863	189,940

Notes to the Financial Statements
For the Year Ended 30 June 2024

15 Plant and equipment

	2024 $	2023 $
Office equipment		
At cost	**13,705**	8,610
Accumulated depreciation	**(7,241)**	(1,695)
Total office equipment	**6,464**	6,915
Computer equipment and software		
At cost	**72,266**	66,804
Accumulated depreciation	**(57,022)**	(42,381)
Total computer equipment and software	**15,244**	24,423
Total plant and equipment	**21,708**	31,338

(a) Movements in carrying amounts of plant and equipment

Movement in the carrying amounts for each class of plant and equipment between the beginning and the end of the current financial year:

	Office Equipment $	Computer Equipment $	Total $
Year ended 30 June 2024			
Balance at the beginning of year	**6,915**	**24,423**	**31,338**
Additions	**5,095**	**5,462**	**10,557**
Disposals	**-**	**-**	**-**
Depreciation expense	**(5,546)**	**(14,641)**	**(20,187)**
Balance at the end of the year	**6,464**	**15,244**	**21,708**
Year ended 30 June 2023			
Balance at the beginning of year	7,586	14,014	21,600
Additions	-	21,803	21,803
Disposals	-	-	-
Depreciation expense	(671)	(11,394)	(12,065)
Balance at the end of the year	6,915	24,423	31,338

16 Right-of-use assets

	2024 $	2023 $
Office equipment		
At cost	**149,130**	149,130
Accumulated depreciation	**(53,852)**	(4,142)
	95,278	144,988

The current year and comparative period ROU has been reclassified from PPE to ROU.

Notes to the Financial Statements

For the Year Ended 30 June 2024

16 Right-of-use assets (continued)

(a) Movements in carrying amounts of Right-of-use assets

	2024 $	2023 $
Balance at beginning of the year	**144,988**	61,086
Additions	**-**	149,130
Depreciation expense	**(49,710)**	(65,228)
Balance at end of the year	**95,278**	144,988

17 Intangible assets

	Access Telehealth Software $	Goodwill $	2024 Total $
Opening Balance	-	-	-
Intangible asset acquired in the acquisition of Access Telehealth	**83,000**	**1,956,490**	**2,039,490**
Total	**83,000**	**1,956,490**	**2,039,490**

Impairment assessment of intangible assets

All intangible assets are assessed at each reporting period for indicators of impairment. The Group operates in two operating segments and two cash generating units ("CGU's") being the Australian Medical Device CGU and the USA Medical Device Segment CGU. Intangible assets with an indefinite useful life are assessed for impairment under the USA Medical Device CGU as the intangibles were created following the acquisition of Access Managed Services LLC, which was completed in the current year.

The recoverable amount of the cash-generating unit is determined based on value-in-use calculations. Value-in-use is calculated based on the present value of cash flow projections for the next five years. The cash flows are discounted using estimated discount rate based on Capital Asset Pricing Model adjusted to incorporate risks associated with the software development sector.

Management has based the value-in-use calculations on five-year budget forecasts of the USA Medical Devices business. Revenue has been projected on the below mentioned assumptions. Costs are calculated taking into account historical gross margins as well as estimated weighted inflation rates over the period which is consistent with inflation rates applicable to the locations in which the unit operates. Discount rates are post-tax and reflect risks associated with the medical device business.

The following assumptions were used in the value-in-use-calculations:

a. Revenue growth for year 1 has been assessed at $3 million based on the significant growth revenues throughout the final quarter of the year ended 30 June 2024. For years 2-5 of the model revenue growth has been assessed at 43% per annum on average.

b. Projected cash flows have been discounted using a post-tax discount rate of 16.25%. The implied pre-tax discount rate is 20.3%. The Group has no third-party debt and is therefore not subject to borrowing costs and the beta used is based on market available data.

Notes to the Financial Statements
For the Year Ended 30 June 2024

17 Intangible assets (continued)

c. An annual growth rate of 2.5% has been estimated in the calculation of terminal value being in line with comparable market companies.

Based on the above assumptions, the recoverable amount of the cash generating unit has been determined to exceed its carrying amount as at 30 June 2024 and accordingly, no impairment loss has been recognised.

Sensitivity to changes in assumptions

The impairment model is most sensitive to the following assumptions:

- Revenue forecasts assumption; and
- Discount rate.

– A decrease in the revenue growth assumption to 42% in years 2-5 of the model would generate an impairment charge.

– A rise in the discount rate to 21.55% (Pre-Tax) would result in an impairment charge being recorded.

No other reasonable possible change in assumptions would result in an impairment charge being recognised.

Business Combination

On 11 August 2023 the Group completed the 100% acquisition of US based Access Managed Services LLC (Access) for up to US$3m with the first tranche paid of US$1.25 million (AUD$1.83 million). In addition to the upfront cash payment of US$1.25m, the agreement provides additional payments ranging from US$100k to US$1.5m depending on financial performance and/or number of RPM patients signed up. In August 2024, the Group made a final payment of US$87.5k to complete the earn out period under the acquisition agreement.

The acquired business contributed revenue of AUD$345,839 and loss after tax of AUD$824,050 to the Group for the period from 11 August 2023 to 30 June 2024. If the acquisition occurred on 1 July 2023 the full year contribution would have been revenue of AUD$377,307 and loss after tax of AUD$970,079. The acquisition provides a broader value proposition and solution for managing all major Chronic disease states. Through this acquisition, the Group offers a full suite of Remote Patient Monitoring (RPM) solutions to the US market.

	AUD $
Purchase consideration	**1,887,077**
Current Assets	
Cash and cash equivalents	155,484
Trade and other receivables	49,293
Total Current Assets	**204,777**
Non-Current Assets	
Intangible assets	83,000
Plant and equipment	3,398
Total Non-Current Assets	**86,398**
Total Assets	**291,175**

Notes to the Financial Statements
For the Year Ended 30 June 2024

17 Intangible assets (continued)

Business Combination (continued)

	AUD $
Current Liabilities	
Trade and other payables	170,220
Deferred revenue	39,402
Total Current Liabilities	**209,622**
Non-Current Liabilities	
Trade and other payables	150,966
Total Non-Current Liabilities	**150,966**
Total Liabilities	**360,588**
Net Assets	**(69,413)**

	$
Net Assets	(69,413)
Goodwill	1,956,490
Cash used to acquire the business	1,887,077
Less: Cash and cash equivalents	(155,484)
Net cash used	1,731,593

18 Trade and Other Payables

	2024 $	2023 $
CURRENT		
Trade payables	**1,708,994**	1,508,683
Accrued expenses	**228,437**	154,436
	1,937,431	1,663,119

Terms and conditions of the above financial liabilities:

- Trade payables are non-interest bearing and are normally settled on between 30 - 45 day terms
- Accrued expenses are non-interest bearing

Refer to note 28(a) for more information on the Group's foreign currency risk management policy.

Notes to the Financial Statements
For the Year Ended 30 June 2024

19 Lease liabilities

	2024 $	2023 $
Current		
Lease Liabilities	**58,980**	32,732
Non-Current		
Lease Liabilities	**57,419**	116,398

The current year and comparative period lease liabilities have been reclassified from Other financial liabilities to Lease Liabilities.

20 Employee benefits

	2024 $	2023 $
Current		
Annual Leave	**198,789**	162,154
Long Service Leave	**2,569**	20,687
	201,358	182,841
Non-Current		
Long Service Leave	**70,460**	-

The current year and comparative period leave provisions have been reclassified from Trade and Other Payable to Employee Benefits.

21 Other Financial Liabilities

	2024 $	2023 $
CURRENT		
Credit Cards	**76,563**	94,683
Other financial liability - unsecured (a)	**1,100,000**	200,000
	1,176,563	294,683

a) During the financial year, Respiri received a loan amounting to $1.1 million, which was classified as a liability under "Other Financial Liability" on the company's balance sheet. Following the end of the financial year, in August 2024, this loan was converted into equity through the issuance of 36,666,667 million shares. No interest or dividends are payable on these advances, indicating that the conversion to equity represents a non-interest-bearing and non-dividend-paying arrangement.

Notes to the Financial Statements
For the Year Ended 30 June 2024

22 Issued Capital

The Company has an unlimited authorised share capital of no par value ordinary shares.

	2024 No.	2024 $	2023 No.	2023 $
Fully paid ordinary shares				
Balance at beginning of the year	843,236,346	132,099,603	761,846,346	128,840,331
Shares issued during the year	303,299,244	9,779,534	81,390,000	3,650,600
Transaction costs relating to share issues	-	(1,333,965)	-	(391,328)
Total issued capital	1,146,535,590	140,545,172	843,236,346	132,099,603

During the year ended 30 June 2024, the Company issued the following securities:

Date	Details	No. of Shares	Issue Price $	Total Value $
23 Jun 2023	Issuance of shares under a March 2022 agreement, being the second tranche, with provider	1,850,000	0.033	61,940
4 Jul 2023	Issuance of ordinary shares via placement - Obsidian	15,000,000	0.0340	510,000
2 Aug 2023	Issuance of ordinary shares in lieu of fees payable to advisers	588,235	0.0340	20,000
9 Aug 2023	Issuance of ordinary shares via placement	73,529,240	0.0340	2,499,994
16 Aug 2023	Issuance of ordinary shares via placement	14,705,884	0,0340	500,000
17 Aug 2023	Issuance of ordinary shares in lieu of fees payable to advisers	24,787,942	0.0340	842,790
27 Sep 2023	Issuance of ordinary shares via placement	26,302,499	0,0340	894,285
29 Sep 2023	Issuance of ordinary shares via placement	11,932,795	0.0340	405,715
21 Nov 2023	Issuance of securities to former Director approved at 2023 AGM	800,294	0.0340	27,210
21 Nov 2023	Issue of securities to Director approved at 2023 AGM	882,353	0.0340	30,000
21 Nov 2023	Issuance of ordinary shares via placement	28,920,002	0.0300	867,600
18 Dec 2023	Issuance of ordinary shares via placement	17,333,334	0.0300	520,000
19 Dec 2023	Issuance of ordinary shares via placement	33,333,333	0.0300	1,000,000
18 Jun 2024	Issuance of ordinary shares via placement	53,333,333	0.0300	1,600,000
		303,299,244		9,779,534

Notes to the Financial Statements

For the Year Ended 30 June 2024

22 Issued Capital (continued)

During the year ended 30 June 2023, the Company issued the following securities:

Date	Details	No. of Shares	Issue Price $	Total Value $
10 Oct 2022	Issue of shares to certain professional and sophisticated investors as announced to the market on 10 Oct 2022	39,390,000	0.0400	1,575,600
15 Dec 2022	Issue of shares in lieu of cash payment for services rendered as announced to the market on 15 Dec 2022	2,500,000	0.0400	100,000
14 Feb 2023	Issue of shares to certain professional and sophisticated investors as announced to the market on 14 Feb 2023	38,700,000	0.0500	1,935,000
15 Mar 2023	Issue of shares to certain professional and sophisticated investors as announced to the market on 15 Mar 2023	800,000	0.0500	40,000
		81,390,000		3,650,600

Term and Conditions of Issued Capital

Ordinary Shares:

Ordinary shareholders have the right to receive dividends as declared and in the event of winding up the Company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on shares held. Ordinary shares entitle their holder to one vote, either in person or by proxy at a meeting of the Company.

Options:

Option holders do not have the right to receive dividends and are not entitled to vote at the meeting of the Company until options are exercised into ordinary shares by payment of the exercise price. Options may be exercised at any time from the date they vest to their expiry date. Share options convert into ordinary shares on a one for one basis on the date they are exercised.

Capital Risk Management:

The consolidated entity's objective when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the consolidated entity may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The consolidated entity would look to raise capital when an opportunity to invest in a business or company was seen as a value adding relative to the current company's share price at the time of the investment. The consolidated entity is not actively pursuing additional investment in the short-term as it continues to develop its technologies.

Notes to the Financial Statements

For the Year Ended 30 June 2024

23 Reserves

	2024 No.	2024 $	2023 No.	2023 $
Options				
Balance at beginning of the year	238,500,000	6,780,376	264,000,000	7,480,008
Options issued during the year (a)	65,000,000	455,939	13,500,000	83,923
Expense recorded over vesting period	-	81,297	-	251,753
Options expired/lapsed (b)	(15,800,000)	(671,698)	(11,500,000)	(400,343)
Cancellation of options (c)	(70,000,000)	(2,899,132)	(27,500,000)	(634,965)
Balance at end of the year	217,700,000	3,746,782	238,500,000	6,780,376
FX Reserve				
Balance at beginning of the year	-	(554)	-	-
Other comprehensive income for the year, net of tax	-	(43,508)	-	(554)
Balance at end of the year	-	(44,062)	-	(554)
Total Reserves	217,700,000	3,702,720	238,500,000	6,779,822

a) 65,000,000 options were granted during the year.

b) 11,000,000 unlisted options granted to Director and Former Director expired during the year.

c) 70,000,000 unlisted options issued to Consultant and Director were cancelled on 01 September 2023.

During the year ended 30 June 2024, the Company issued the following options:

Date	Details	No. of options	Option fair value $	Total value $
1 Nov 2023	Issue to Consultants for Medical Advisory Services rendered - Class 24	2,500,000	0.0028	6,945
30 Nov 2023	Issue to Consultants for Medical Advisory Services rendered - Class 24	2,500,000	0.0034	8,448
01 May 2024	Issue to Directors - Class 28	30,000,000	0.0087	261,907
01 May 2024	Issue to Directors - Class 29	30,000,000	0.0060	178,639
		65,000,000		455,939

Option Reserve:

The option reserve recognises the proceeds from the issue of options over ordinary shares and the expense recognised in respect of share based payments.

24 Segment Reporting

AASB 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance.

Information reported to the Group's Chief Operating Decision Makers for the purposes of resource allocation and assessment of performance is more specifically focused on the geographical locations of the Group's operations.

Notes to the Financial Statements
For the Year Ended 30 June 2024

24 Segment Reporting (continued)

The Group's reportable segments under AASB 8 are therefore as follows:

- Australia
- USA

The Australia reportable segment activities include research, development and commercialisation of medical devices, and the production of mobile health applications in Australia.

In prior years, the Group has had operations in Israel; however, these operations have ceased and therefore are no longer reported as a reportable segment.

Information regarding these segments is presented below. The accounting policies of the reportable segments are the same as the Group's accounting policies.

	Medical Devices Segment	Medical Devices Segment		
	Australia	USA	Corporate	Total
	$	$	$	$
30 June 2024				
Segment Revenue				
External Sales	46,323	407,032	-	453,355
Other income	581,603	-	-	581,603
Total Segment Revenue	627,926	407,032	-	1,034,958
Interest revenue	-	-	3,559	3,559
Total Revenue	627,926	407,032	3,559	1,038,517
Segment Expenses	(137,832)	(1,468,355)	(6,432,529)	(8,038,716)
EBITDA	490,094	(1,061,323)	(6,432,529)	(7,003,758)
Segment depreciation expenses	-	-	(64,033)	(64,033)
Interest revenue	-	-	3,559	3,559
Finance costs	-	-	(65,015)	(65,015)
Profit/(loss) before income tax	490,094	(1,061,323)	(6,558,018)	(7,129,247)
Income tax expense	-	-	-	-
Profit/(loss) after income tax	490,094	(1,061,323)	(6,558,018)	(7,129,247)
Assets				
Segment assets	2,042,569	721,915	3,426,432	6,190,916
Total Assets	2,042,569	721,915	3,426,432	6,190,916
Liabilities				
Segment liabilities	-	-	3,553,977	3,553,977
Total Liabilities	-	-	3,553,977	3,553,977

Notes to the Financial Statements
For the Year Ended 30 June 2024

24 Segment Reporting (continued)

	Medical Devices Segment Australia	Medical Devices Segment Israel	Corporate	Total
	$	$	$	$
30 June 2023				
Segment Revenue				
External sales	70,533	-	-	70,533
Other income	587,330	-	-	587,330
Total Segment Revenue	657,863	-	-	657,863
Interest Revenue	-	-	4,240	4,240
Total Revenue	657,863	-	4,240	662,103
Segment Expenses	(443,328)	-	(5,901,773)	(6,345,100)
EBITDA	214,535	-	(5,901,773)	(5,687,237)
Segment depreciation expenses	-	-	(77,292)	(77,292)
Interest revenue	-	-	4,240	4,240
Finance costs	-	-	(15,000)	(15,000)
Profit/(loss) before income tax	214,535	-	(5,989,825)	(5,775,289)
Income tax expense	-	-	-	-
Profit/(loss) after income tax	214,535	-	(5,989,825)	(5,775,289)
Assets				
Segment assets	1,968,932	652,713	559,671	3,181,315
Total Assets	1,968,932	652,713	559,671	3,181,315
Liabilities				
Segment liabilities	64,652	-	2,289,773	2,354,425
Total Liabilities	64,652	-	2,289,773	2,354,425

Notes to the Financial Statements

For the Year Ended 30 June 2024

25 Cash Flow Information

(a) Reconciliation of cash flow from operations with loss after income tax

	2024	2023
	$	$
Net loss for the year	**(7,129,247)**	(5,775,290)
Non-cash flows in profit:		
- depreciation	**64,033**	77,293
- share-based payments	**537,236**	335,675
- foreign exchange adjustments	**16,233**	17,838
- other non cash revenue and expenses	**8,821**	-
Changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	**(205,894)**	3,062
- (increase)/decrease in other assets	**(76,923)**	14,029
- (increase)/decrease in inventories	**(129,921)**	29,474
- increase/(decrease) in trade and other payables	**274,312**	1,056,331
- (decrease)/increase in deferred revenue	**-**	61,490
- (decrease)/increase in other financial liabilities	**-**	(310,088)
Cashflows from operations	**(6,641,350)**	(4,490,186)

(b) Non-cash financing and investing activities

Please refer to Note 22 and 23 for further details regarding equity issued for nil cash consideration.

26 Share-based Payments

(a) Employee share and option plan

Nil options were issued during the current year under ESOP.

(b) Fair value of share options granted in the year outside of the ESOP

For the options granted during the financial year, the Black Scholes Option valuation model inputs used to determine the fair value at the grant date are as follows:

No. of Options		Grant Date	Expiry Date	Share price at grant date $	Exercise price $	Expected volatility	Dividend yield	Risk free interest rate	FV at grant date $
2,500,000	(a)	01/11/2023	30/06/2026	0.049	0.200	67.69%	-	3.31%	6,945
2,500,000	(b)	01/11/2022	31/12/2026	0.049	0.200	67.69%	-	3.31%	8,448
30,000,000	(c)	01/05/2024	30/06/2028	0.032	0.080	60.64%	-	4.11%	261,907
30,000,000	(d)	01/05/2024	30/06/2028	0.032	0.120	60.64%	-	4.11%	178,639

Expected volatility is determined by historical performance of the share price.

Notes to the Financial Statements

For the Year Ended 30 June 2024

26 Share-based Payments (continued)

(b) Fair value of share options granted in the year outside of the ESOP (continued)

The weighted average fair value of options granted during the financial year is $0.007 (2023:$0.007)

a) Options have vested on 1 June 2024 with the vesting condition of deliverables versus objectives - subject to finalizing Tranche 3 objectives.

b) Options will be fully vested on 1 December 2024 by delivery against set objective for Tranche 4.

c) Options have vested on 30 June 2024 and exercisable at $0.08. Options may be exercised up to 48 months from the vesting date, by providing the Company with 3 months' written notice of the Option holder's intention to exercise the relevant options.

d) Options have vested on 30 June 2024 and exercisable at $0.12. Options may be exercised up to 48 months from the vesting date, by providing the Company with 3 months' written notice of the Option holder's intention to exercise the relevant options.

(c) Movement in share options during the year

The following reconciles the share options outstanding at the beginning and end of the year:

	2024 No. of Options	2024 Weighted Average Exercise Price $	2023 No. of Options	2023 Weighted Average Exercise Price $
Outstanding at the beginning of the year	238,500,000	0.18	264,000,000	0.22
Granted	65,000,000	0.11	13,500,000	0.13
Expired/lapsed	(15,800,000)	0.39	(11,500,000)	0.10
Cancelled	(70,000,000)	0.10	(27,500,000)	0.35
Outstanding at year-end	**217,700,000**	**0.20**	**238,500,000**	**0.18**
Exercisable at year-end	215,200,000	0.20	199,500,000	0.18

During the year, 76,470,409 free attaching options were issued via share placement.

(d) Share options exercised during the year

There were no options exercised during the year.

(e) Share options outstanding at the end of the year

The options outstanding at 30 June 2024 had a weighted average exercise price of $0.20 (2023:$0.18) and a weighted average remaining contractual life between 0.5 to 5.5 years.

Exercise price range from $0.03 (2023: $0.03) to $0.30 (2023: $0.30) in respect of options outstanding at 30 June 2024.

Notes to the Financial Statements
For the Year Ended 30 June 2024

26 Share-based Payments (continued)

(f) Share-based payments expense

	2024	2023
	$	$
Share-based payments		
- options issued to directors	**484,581**	181,087
- options issued to suppliers (a)	**52,655**	87,245
- options issued to other key management personnel	**-**	63,448
- options issued to employees	**-**	3,895
	537,236	335,675

a) The Company issued 11,000,000 options to US consultants for medical advisory board services that were fully vested this year.

b) Share-based payment from Appendix 4E has been revised as free attaching options have no fair value under AASB 2 *Share-based payments*.

27 Events Occurring After the Reporting Date

Matters Subsequent to Reporting Period

Following the year-end, the group successfully raised $2,997,000 in cash in August 2024 through a placement offering. Additionally, a $1,100,000 loan was converted into equity.

The group is also expecting to receive an R&D tax offset of $611,282 in the second quarter.

Except for the above, no other matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

28 Financial Risk Management

The Group holds the following financial instruments:

	2024	2023
	$	$
Financial assets		
Cash and cash equivalents	**762,874**	146,162
Trade and other receivables	**253,138**	47,244
Total financial assets	**1,016,012**	193,406
Financial liabilities		
Trade and other payables	**1,937,431**	1,663,119
Other financial liabilities	**1,176,563**	294,683
Total financial liabilities	**3,113,994**	1,957,802

Notes to the Financial Statements
For the Year Ended 30 June 2024

28 Financial Risk Management (continued)

(a) Foreign exchange risk

The Group engages in international purchase transactions and is exposed to foreign currency risk arising from various currency exposures, primarily with respect to the US dollar (USD). The parent has minimal exposure to foreign exchange risk as it does not hold any foreign currency cash reserves and only makes minor foreign currency payments. The Group does not make use of derivative financial instruments to hedge foreign exchange risk.

The carrying amount of the foreign currency denominated monetary assets and liabilities at the reporting date is as follows, all amounts in the table below are displayed in $AUD at year-end spot rates:

	2024	2023
	$	$
Cash and trade and other receivables		
- USD	**-**	4,361
- GBP	**35,566**	-
	35,566	4,361
Trade and other payables		
- CAD	**(43,908)**	(13,889)
- GBP	**(28,845)**	(3,557)
- USD	**(262,985)**	(222,223)
- EUR	**(1,606)**	-
	(337,344)	(239,669)

Sensitivity Analysis

The impact on the Group's profit before tax is due to changes in the fair value of monetary assets and liabilities including non-designated foreign currency derivatives and embedded derivatives. The Group's exposure to foreign currency changes for all other currencies is not material.

	2024	2023
Currency interest rates charged by ± 5% basis	**± (15,089)**	± (11,765)

(b) Interest rate risk

The Group has no material exposure to interest rate risk via the financial assets and financial liabilities that it holds. Interest rate risk is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates.

The following table summarises the sensitivity of the Group's financial assets and financial liabilities to interest rate risk (against the implied 30 day bank bill rate). The table also represents the quantitative impact on the financial statements should the variation occur.

Notes to the Financial Statements

For the Year Ended 30 June 2024

28 Financial Risk Management (continued)

(b) Interest rate risk (continued)

	Carrying amount	Weighted average interest rate	(4.33%) effect on profit after tax	4.33% effect on profit before tax
	$	%	$	$
30 June 2024				
Financial assets				
Cash and cash equivalents	762,874	4.33	(33,032)	33,032
Total (decrease)/increase	762,875	-	(33,032)	33,032
30 June 2023				
Financial assets				
Cash and cash equivalents	146,162	4.14	(6,051)	6,051
Total (decrease)/increase	146,162	-	(6,051)	6,051

(c) Credit risk

The credit risk in respect of cash at banks and deposits is managed by only having accounts with major reputable financial institutions.

The Group continuously monitors the credit quality of customers based on regular review of the debtors. Where available, external credit ratings and/or reports on customers are obtained and used. The Group's policy is to deal only with credit worthy counterparties. The credit terms as negotiated with customers are subject to an approval process which forms part of the overall contract approval when signing up new customers and is usually 30 days. The ongoing credit risk is managed through regular review of ageing analysis, together with ongoing correspondences with customers, and by making provisions for doubtful debt.

	Current	30 days	60 days	90 days and older	Total
	$	$	$	$	$
Trade Receivable Aging					
Respiri Ltd	-	-	35,566	608	36,174
Respiri USA	61,192	-	-	-	61,192
Access Telehealth	69,962	24,502	13,408	119,392	227,264
Allowance for expected credit losses	-	-	-	(90,580)	(90,580)
	131,154	24,502	48,974	29,420	234,050

(d) Liquidity risk

Liquidity risk is the risk that the Group will not pay its debtors when they fall due. Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. The Group manages liquidity risk by maintaining sufficient bank balances to fund its operations and the availability of funding through committed credit facilities.

Notes to the Financial Statements
For the Year Ended 30 June 2024

28 Financial Risk Management (continued)

(d) Liquidity risk (continued)

Management manages this risk by monitoring rolling forecasts of the Group's liquidity reserve on the basis of expected cash flows. The table below analyses the Group's financial liabilities.

	0-12 months $	Maturing 1 to 3 years $	Total $
30 June 2024			
Trade and other payables	1,937,431	-	1,937,431
Lease liabilities	58,980	57,419	116,399
	1,996,411	57,419	2,053,830
30 June 2023			
Trade and other payables	1,809,736	-	1,809,736
Lease liabilities	32,732	116,398	149,130
	1,842,468	116,398	1,958,866

(e) Capital Risk Management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to maintain a capital structure that maximises shareholder value. In order to maintain or achieve an optimal capital structure, the Group may issue new shares or reduce its capital, subject to the provisions of the Group's constitution.

The capital structure of the Group consists of equity attributed to equity holders of the Group, comprising contributed equity and reserves disclosed in Notes 22 and 23. By monitoring undiscounted cash flow forecasts and actual cash flows provided to the Board by the Group's Management the Board monitors the need to raise additional equity from the equity markets.

Capital commitments

The group had no capital commitments as at 30 June 2024.

Consolidated Entity Disclosure Statement

As at 30 June 2024

Entity Name	Entity Type	Place found / Country of Incorporation	Ownership Interest %	Tax Residency
Respiri Limited	Body Corporate	Australia	N/A	Australia
KarmelSonix Australia Pty Ltd	Body Corporate	Australia	100	Australia
Respiri UK Limited	Body Corporate	United Kingdom	100	United Kingdom
Respiri USA Inc	Body Corporate	United States of America	100	United States of America
Access Telehealth	Body Corporate	United States of America	100	United States of America

Respiri Limited (the head entity) and its wholly owned Australian subsidiaries have formed an Income Tax Consolidated Group under tax consolidation regime.

Basis of preparation

This consolidated entity disclosure statement (CEDS) has been prepared in accordance with the *Corporations Act 2001* and includes information for each entity that was part of the Group as at the end of the financial year in accordance with AASB 10 *Consolidated Financial Statements*.

Determination of tax residency

Section 295 (3A)(vi) of the *Corporation Act 2001* defines tax residency as having the meaning in the Income Tax Assessment Act 1997. The determination of tax residency involves judgement as there are different interpretations that could be adopted, and which could give rise to a different conclusion on residency.

In determining tax residency, the consolidated entity has applied the following interpretations:

Australian tax residency

The Group has applied current legislation and judicial precedent, including having regard to the Tax Commissioner's public guidance in Tax Ruling TR 2018/5.

Foreign tax residency

Where necessary, the Group has used independent tax advisers in foreign jurisdictions to assist in its determination of tax residency to ensure applicable foreign tax legislation has been complied with (see section 295(3A)(vii) of the *Corporations Act 2001*).

Partnerships and Trusts

None of the entities noted above were trustees of trusts within the Group, partners in a partnership within the Group or participants in a joint venture within the Group

Directors' Declaration

The directors of the Company declare that:

1. The financial statements and notes, as set out on pages 21 to 55, and the remuneration disclosures that are contained within the Remuneration Report within the Directors' report, set out on pages 9 to 19, are in with the *Corporations Act 2001* and:

   a. In the directors' opinion there are reasonable grounds to believe the company will be able to pay its debts as and when they become due and payable;

   b. In the directors' opinion the financial statements and notes also comply with the International Financial Reporting Standards as disclosed in Note 1;

   c. In the directors' opinion the attached financial statements and notes thereto are in accordance with the *Corporations Act 2001*, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the consolidated entity

   d. In the directors' opinion the attached consolidated entity disclosure statement and the information disclosed therein are true and correct; and

   e. The directors have been given the declaration required by s295A of the *Corporations Act 2001.*

Signed in accordance with a resolution of the directors made pursuant to s.295(5) *Corporations Act 2001*.

On behalf of the Directors

Mr Nicholas Smedley

Executive-Chairman

Dated this 20th day of September 2024
Melbourne, Australia

William Buck
ACCOUNTANTS & ADVISORS

Independent auditor's report to the members of Respiri Limited

Report on the audit of the financial report

Our opinion on the financial report

In our opinion, the accompanying financial report of Respiri Limited (the Company) and its subsidiaries (the Group) is in accordance with the *Corporations Act 2001*, including:

— giving a true and fair view of the Group's financial position as at 30 June 2024 and of its financial performance for the year then ended; and

— complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

What was audited?

We have audited the financial report of the Group, which comprises:

— the consolidated statement of financial position as at 30 June 2024,

— the consolidated statement of profit or loss and other comprehensive income for the year then ended,

— the consolidated statement of changes in equity for the year then ended,

— the consolidated statement of cash flows for the year then ended,

— notes to the financial statements, including material accounting policy information,

— the consolidated entity disclosure statement, and

— the directors' declaration.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Level 20, 181 William Street, Melbourne VIC 3000
+61 3 9824 8555
vic.info@williambuck.com
williambuck.com.au

WilliamBuck
ACCOUNTANTS & ADVISORS

Material uncertainty related to going concern

We draw attention to Note 1 in the financial report, which indicates that the Group incurred a net loss of $7,129,247 and had cash-outflows from operations of $6,641,350 during the year ended 30 June 2024. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the *Material Uncertainty Related to Going Concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Business combination	Area of focus (refer also to notes 1 & 17)	How our audit addressed the key audit matter
	The Group acquired Access Managed Services LLC ("Access") on 11 August 2023 for a consideration of up to US$3.0 million, being initial consideration of US$1.25 million settled in cash and US$1.75 million contingent on certain services being performed and financial milestones being achieved. Accounting for this transaction is complex and required significant judgements and estimates by management on the initial entries recorded, specifically to determine the fair value of assets and liabilities acquired in the context of Australian Accounting Standards. As such this matter has been determined as a key area of focus for our audit.	Our audit procedures included: — Assessing that the acquired entity meets the definition of a business under *AASB 3 – Business Combinations*; — Reviewing the sale and purchase agreement to understand the key terms and conditions of the acquisition, including the date that control passed to the Group; — Assessing the Group's determination of fair values of assets acquired by performing specific audit procedures on opening balances at acquisition date; and — Assessing the estimation of contingent consideration included within the transaction. We have also assessed the adequacy of the Group's disclosures in respect of the acquisition in the financial report.

William Buck
ACCOUNTANTS & ADVISORS

Carrying value of goodwill	Area of focus (refer also to notes 1 & 17)	How our audit addressed the key audit matter
	Included on the statement of financial position is an intangible asset balance of $2.04 million as at 30 June 2024, which relates to goodwill of $1.96 million and software assets totaling $0.08 million. The entirety of the goodwill balance was created following the acquisition of Access as discussed above. In accordance with *AASB 136 – Impairment of assets* the Group is required to, at least annually, perform an impairment assessment of goodwill and intangible assets that have an indefinite useful life. For intangible assets with finite useful lives, the Group is required to review these for impairment whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable, and at least annually, review whether there is any change in their expected useful lives. Impairment is recognised when the carrying amount of the Cash Generating Unit ('CGU") exceeds its recoverable amount. As at 30 June 2024, the Group has not recorded an impairment charge. The accounting treatment to determine the carrying value of intangible assets is complex and requires significant judgment and has been a key area of focus for our audit.	Our audit procedures included: — A detailed evaluation of the Group's budgeting procedures upon which the forecast is based and testing the principles and integrity of the discounted future cash flow models; — Assessing the appropriateness of the Group's two Cash Generating Units ('CGU's') in line with how the Board and Chief Financial Decision Makers evaluate the performance of the Group and that the allocation of assets between the Group's two CGU's was appropriate; — Testing the accuracy of the calculation derived from the forecast model and assessing key inputs to the calculations such as revenue growth, terminal growth, gross margins; — Performing a review of the discount rate recommended by an independent expert and that the expert was appropriately qualified to undertake the task; — Performing sensitivity analysis on the model noting that any change in the assumptions used would change the recoverable amount calculated by the Group; and — Performing market cross checks on comparing the Group's market capitalisation relative to its net asset position as at 30 June 2024. We also considered the adequacy of the Group's disclosures in the notes to the financial report.

WilliamBuck
ACCOUNTANTS & ADVISORS

Other information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2024, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Other Matter

The financial report of Respiri Limited for the year ended 30 June 2023 was audited by another auditor, who expressed an unmodified opinion with a material uncertainty in relation to going concern to that report.

Responsibilities of the directors for the financial report

The directors of the Company are responsible for the preparation of:

- the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001*; and
- the consolidated entity disclosure statement that is true and correct in accordance with the *Corporations Act 2001,* and

for such internal control as the directors determine is necessary to enable the preparation of:

- the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
- the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

William Buck
ACCOUNTANTS & ADVISORS

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at:
https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf

This description forms part of our auditor's report.

Report on the Remuneration Report

Our opinion on the Remuneration Report

In our opinion, the Remuneration Report of Respiri Limited, for the year ended 30 June 2024, complies with section 300A of the Corporations Act 2001.

What was audited?

We have audited the Remuneration Report included in of the directors' report for the year ended 30 June 2024.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

William Buck

William Buck Audit (Vic) Pty Ltd
ABN 59 116 151 136

A. A. Finnis
Director
Melbourne, 20 September 2024

Additional Information for Listed Public Companies

30 June 2024

SHAREHOLDERS INFORMATION as at 28 August 2024

Equity security holders

Twenty largest quoted equity holders

The names of the twenty largest security holders of quoted equity securities are listed below:

Holder	Ordinary shares held	% of total shares issued
NETWEALTH INVESTMENTS LIMITED <WRAP SERVICES A/C>	56,697,058	4.41%
NETWEALTH INVESTMENTS LIMITED <SUPER SERVICES A/C>	50,338,143	3.92%
BNP PARIBAS NOMINEES PTY LTD <HUB24 CUSTODIAL SERV LTD>	44,211,033	3.44%
CITICORP NOMINEES PTY LIMITED	23,699,718	1.84%
BT PORTFOLIO SERVICES LTD <ROONEY PENSION FUND A/C>	22,100,000	1.72%
BT PORTFOLIO SERVICES LIMITED <MR THIEN FOO KO A/C>	20,000,000	1.56%
MALLAMANDA PTY LTD <MALLAMANDA A/C>	18,032,352	1.40%
MR PETER KARL BRAUN	18,026,140	1.40%
DAVID JAMES + ROSEMARY JAMES <JAMES SUPERANNUATION FUND AC>	17,333,333	1.35%
BOND STREET CUSTODIANS LIMITED <BENRI2 - V85380 A/C>	16,750,000	1.30%
BT PORTFOLIO SERVICES LTD <MISS LUCIA IPPOLITI A/C>	16,666,667	1.30%
BT PORTFOLIO SERVICES LTD <MR GABRIEL IPPOLITI A/C>	16,666,667	1.30%
MR JOHN ANTHONY DELL	16,108,864	1.25%
MRS TARA MARJORIE HILL	14,943,125	1.16%
BT PORTFOLIO SERVICES LIMITED <KRISHNAN ROODENRYS FSF A/C>	14,810,784	1.15%
SYSTEM ARCHITECTS INTERNATIONAL NOMINEES PTY LTD <SAI SUPER A/C>	14,100,000	1.10%
BT PORTFOLIO SERVICES LIMITED <KYRELLE S/F A/C>	13,497,223	1.05%
GEMJILL PTY LTD <EHSMAN STUCKEY S/F A/C>	13,333,334	1.04%
MR SIMON DUMARESQ + DR BELINDA JACKSON <DUMASON A/C>	12,265,193	0.95%
BT PORTFOLIO SERVICES LIMITED <MCEWEN FAMILY S/F A/C>	11,465,686	0.89%

Unquoted equity securities

No unquoted shares

Unquoted equity securities	Number on issue	Number of holders
Options over ordinary shares issued	217,700,000	25

Additional Information for Listed Public Companies
30 June 2024

Voting Rights

The voting rights attached to ordinary shares are set out below:

Ordinary Shares
On a show of hands, every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

There are no other classes of equity securities.

On-market Buy-backs

There is no current on-market buy-back in relation to the Company's securities.

Securities subject to voluntary escrow

There are no securities subject to voluntary escrow.

Distribution of equitable securities

Analysis of number of equitable security holders by size of holding:

	Number of Holders of ordinary shares
1 to 1,000	142
1,001 to 5,000	244
5,001 to 10,000	431
10,001 to 100,000	1,312
100,001 and above	800

Unmarketable Parcels

As at 28th August 2024 there were 1,160 unmarketable parcels on register.

Additional Information for Listed Public Companies

30 June 2024

SHAREHOLDER ENQUIRIES

Shareholders with enquiries about their shareholdings should contact the Share Register:

Computershare Investor Services Pty Ltd
Yarra Falls
452 Johnson Street
Abbostsford, Victoria, 3067

Telephone: +61 (0)3 9415 4000
Facsimile: +61 (0)3 9473 2500
Email: www.investorcentre.com/contact

CHANGE OF ADDRESS, CHANGE OF NAME, CONSOLIDATION OF SHAREHOLDINGS

Shareholders should contact the Share Registry via your *Investor Centre* portal.

REMOVAL FROM THE ANNUAL REPORT MAILING LIST

Shareholders who no longer wish to receive the Annual Report should notify the Share Registry via the shareholder's respective *Investor Centre* portal. These shareholders will continue to receive all other shareholder information.

TAX FILE NUMBERS

It is important that Australian resident shareholders, including children, have their tax file number or exemption details noted by the Share Registry.

CHESS (Clearing House Electronic Sub-register System)

Shareholders wishing to move to uncertified holdings under the Australian Stock Exchange (CHESS) system should contact their stockbroker.

UNCERTIFIED SHARE REGISTER

Shareholding statements are issued at the end of each month in which there is a transaction that alters the balance of your holding.

Corporate Directory

AUSTRALIAN COMPANY NUMBER (ACN)
009 234 173

Respiri Limited is a Public Company Limited by shares and is domiciled in Australia.

DIRECTORS

Mr Marjan Mikel	Appointed on 25th November 2019
Mr Nicholas Smedley	Appointed on 30th October 2019
Dr Tom Takubo	Appointed on 11th December 2023

COMPANY SECRETARY
Mr Justin Mouchacca

PRINCIPAL PLACE OF BUSINESS
Level 9, 432 St Kilda Road
Melbourne, Victoria
AUSTRALIA 3004
Telephone: +61 (0)3 9653 9160

SHARE REGISTRY
Computershare Investor Services Pty Ltd
Yarra Falls
452 Johnston Street
Abbotsford, Victoria, 3067
Australia
Telephone: +61 (0)3 9415 4000
Facsimile: +61 (0)3 9473 2500

AUDITORS
William Buck
Level 20, 181 William Street
Melbourne, Victoria, 3000
Australia
Telephone: +61 (0) 3 9824 8555

WEBSITE
www.respiri.co

SECURITIES QUOTED

Australian Securities Exchange
- Ordinary Fully Paid Shares (Code: RSH)

REGISTERED OFFICE
Level 5, LaTrobe Street
North Tower
Melbourne, Victoria
AUSTRALIA 3000
Telephone: +61 (0)3 9642 8000
Fax: +61 (0)3 9642 8222

SOLICITORS Gadens
Lawyers Level 13,
Collins Arch
447 Collins Street
Melbourne, Victoria, 3000
AUSTRALIA
Telephone: +61 (0)3 9252 2555
Fax: +61 (0)3 9252 2500

BANKERS
National Australia Bank (NAB)
330 Collins Street,
Melbourne, Victoria, 3000
Australia

RESPIRI