Quarterly Activities Report

For the period ending 31 December 2020

- **Agreement with Medgate to pilot ResAppDx in Europe – Medgate operates Europe's largest telemedicine centre**
- **ResAppDx to be integrated into Workplace Medicine Australia's telehealth app**
- **SleepCheck launched on Android devices with US FDA regulatory path defined**
- **Partnership with Australia's largest consumer healthcare network HealthEngine to integrate booking platform into SleepCheck**
- **AstraZeneca Japan to use ResApp software in clinical study**
- **Experienced healthcare executive Mike Connell appointed as VP, Commercial to drive growth strategy**

Brisbane, Australia, 29 January 2021 – ResApp Health Limited (ASX:RAP), a leading digital health company developing smartphone applications for the diagnosis and management of respiratory disease, is pleased to provide an activities update for the quarter ended 31 December 2020 ("Q2 FY2021").

Operational overview

Medgate to pilot ResAppDx across Europe

In November, ResApp secured a six-month joint development and pilot agreement with Medgate AG ("Medgate") to integrate ResApp's smartphone-based respiratory diagnostic test ResAppDx into Medgate's telemedicine services.

Medgate is a leading provider of telehealth services. Since 2000, it has operated Europe's largest telemedical centre based in Switzerland and employs over 500 employees globally, including over 200 physicians.

ResApp advises that technical integration and clinician on-boarding initiatives are well progressed, with the three-month pilot period scheduled to commence in February 2021.

ResAppDx to be integrated into WMA's telehealth application

ResApp signed a non-exclusive, two-year software licencing agreement with healthcare solutions provider Workplace Medicine Australia Ltd ("WMA") to integrate ResAppDx into the group's upcoming fully integrated and holistic workplace health and wellbeing management application Medetective (www.medetective.com.au).

WMA provides holistic medical screening and consultation services for corporate clients across sections including financial services, insurance, mining and construction.

WMA will integrate ResAppDx into the Medetective app for use as a remote respiratory diagnostic aid. The results will be reviewed via a telehealth consultation, reducing the need for employees to book in and travel to be diagnosed by a clinician. ResAppDx will be made available under Medetective's gold and platinum pricing tiers, which include on-demand telehealth consultations.

WMA expects the Medetective app to launch in February 2021, which will mark the commencement of the two-year agreement. ResApp will receive a monthly fee for every worker that WMA's gold or platinum service covers at a client workplace.

ResAppDx software updates unlock new opportunities

Following the successful launch of ResAppDx for Android phones in October, ResApp released version 2.3 in December. The release integrated a number of key advancements including App Clips (iOS) and Instant App (Android) capabilities, as well as the ability to detect chronic obstructive pulmonary disease (COPD).

Introducing App Clips and Instant App functionality allows users to experience or utilise a specific part of a smartphone application, without downloading it entirely to a device. This allows users to undertake a respiratory diagnostic test through ResAppDx, without installing the app directly. Instead, users can access it instantly, through a website link, QR code or text message from a clinician or telehealth provider. The company is confident this will allow for enhanced integration for existing partners and provide new market opportunities.

ResAppDx v2.3 can now also test for COPD, a chronic lung disease, characterised by long-term breathing problems and poor airflow due to airway obstruction. Main symptoms include shortness of breath and cough with sputum production. COPD accounts for ~3m deaths globally per year, impacts 384m people worldwide and it is estimated that 80% of cases remain undiagnosed.

ResAppDx featured in leading clinical publications

During the quarter, a number of papers were published with leading clinical journals. These included a paper highlighting the pneumonia results from the company's Breathe Easy adult clinical study which was published in the British Journal of General Practice, as well as a paper regarding the COPD results of the Breathe Easy study, published in JMIR Formative Research. The company will also present an abstract at the TSANZSRS Annual Scientific Meeting for Leaders in Lung Health and Respiratory Science 2021 around the detection of asthma exacerbation in adults.

Having research papers published in these journals reflects the innovative nature of ResAppDx and provides the company with increased visibility amongst clinicians and healthcare professionals.

ResAppDx testing rates

ResApp did not witness material testing rates from its agreements with Coviu or Phenix Health during the quarter. As previously advised, Coviu's general practitioner (GP) user base has migrated to the currently free-to-use healthdirect video call platform. At this time, the healthdirect platform, while powered by Coviu, does not include third-party add-on offerings.

ResApp continues to work closely with both Coviu and Phenix Health to increase testing rates through each platform and looks forward to updating shareholders when applicable.

SleepCheck launched on select Android devices

ResApp launched SleepCheck on select Android devices on 29 December 2020, considerably broadening the addressable market for SleepCheck.

SleepCheck uses a smartphone's microphone to record and analyse an adult's breathing and snoring patterns overnight. In a large clinical study, SleepCheck's algorithms were shown to accurately assess a person's risk of sleep apnoea when compared to a full sleep test. SleepCheck has achieved CE mark in Europe and is TGA approved for ARTG listing in Australia as a class I medical device.

SleepCheck version 1.4 is now available on the App Store for iPhone and Google Play for Android. SleepCheck v1.4 for Android supports a number of devices including the Samsung Galaxy S9, S9+, S10, S10+ and S20 phones, with support for additional devices anticipated in the near term.

Partnership to integrate HealthEngine's booking engine into SleepCheck

ResApp secured a 12-month non-exclusive marketing agreement with Australia's largest consumer healthcare network, HealthEngine. The agreement allows for the integration of HealthEngine's booking engine into SleepCheck.

HealthEngine is a platform designed to help patients find, book and connect with healthcare service providers through its online booking network. It assists patients in scheduling in-person and telehealth consults with providers across Australia and is the country's largest online patient network. HealthEngine has assisted over seven million Australians schedule more than 30 million online bookings.

ResApp has integrated HealthEngine's booking network into SleepCheck and launched an updated SleepCheck app on the App Store and Google Play in December. In turn, HealthEngine will promote the use of SleepCheck. ResApp retains all revenue derived from the app download

and receives a share of the revenue from HealthEngine for every new patient referred through the app.

Positive engagement with the FDA to progress SleepCheck US regulatory approval
ResApp completed a pre-submission meeting with the United States (US) Food and Drug Administration (FDA) to progress the clearance of its SleepCheck application in the US. The meeting defined clear pathways towards gaining regulatory approvals.

ResApp is currently pursuing a 510(k) regulatory pathway, initially as a prescription only (Rx only) device. This approach has been deemed the fastest route to market and leverages a prior 510(k) clearance granted to a predicate device.

The company will now progress a human factors study in the US. ResApp expects this study to commence this quarter, with the lodgement of a 510(k) submission expected shortly thereafter.

SleepCheck download rates
ResApp achieved 1,121 SleepCheck downloads during the quarter, taking total cumulative downloads to 5,067. Growth during the period was slower than anticipated primarily due to challenges faced in the UK and the effects of lockdowns brought on by the spread of COVID-19.

ResApp is now re-evaluating its marketing strategy and has reduced UK-focused efforts until restrictions are eased. To drive download rates, the company will continue to look at alternative marketing strategies, work with leading partners, progress new market entry initiatives and progress roll out of the app across additional Android devices.

AstraZeneca Japan to use new software in lung cancer clinical study
ResApp has non-exclusively licenced a new smartphone app to AstraZeneca K.K. ("AstraZeneca"), the Japanese subsidiary of global biopharmaceutical company AstraZeneca PLC. for use in a clinical study of lung cancer patients. The app uses ResApp's proprietary algorithms which count patient coughs over extended periods and is able to accurately differentiate coughs from background noise. The app records cough events and uploads data in real time to allow healthcare professionals to continuously monitor patients' respiratory health.

ResApp has now refined and localised the app to AstraZeneca's specifications and it is currently undergoing testing by AstraZeneca. AstraZeneca's lung cancer study will run for two years and during the study ResApp will receive a monthly licence fee for each patient enrolled, as well as a monthly support fee. While ResApp does not expect to generate significant revenues from the initiative, it has allowed the company to progress discussions regarding broader collaborations with AstraZeneca which are very well advanced. ResApp is also in discussions with a number of other companies seeking to use its cough-based technology in supporting their clinical research outcomes.

MOU with RB terminated to pursue direct-to-consumer initiatives

ResApp terminated its Memorandum of Understanding (MOU) with global health products manufacturer RB as both parties could not agree on the scope and timeframe of a joint development program. This has allowed ResApp to pursue other initiatives involving a direct-to-consumer approach. The company will update shareholders on developments as they materialise.

Appointment of Mr Mike Connell as Vice President (VP), Commercial

Mr Connell is a leading executive with extensive experience in sales, marketing and strategy, focused on the pharmaceuticals, health insurance and fast-moving consumer goods (FMCG) sectors.

He has over a decade of healthcare related experience and has held longstanding positions with GlaxoSmithKline (GSK). At GSK, Mr Connell joined as an Australian-based marketing manager and was shortly promoted to VP level roles across Europe. During his time with the group, he launched and led GSK's European Established products business, which delivered a significant share of segment sales. Established Product segment revenues totalled £3Bn during 2014[i]. Most recently Mr Connell was General Manager, Corporate Portfolio at Medibank, where he was responsible for corporate health partnerships.

As VP, Commercial, Mr Connell will pursue a number of global commercial activities and progress the company's growth strategy. ResApp is confident that his strong sector understanding and established networks will give the company access to multiple opportunities.

Corporate overview

Receipts from customers for the quarter totalled $42,000 (Q1 FY2021: $3,000). The increase was due to payments received from Apple for SleepCheck downloads in the previous quarter and initial payments from AstraZeneca. The company also received $150,000 in grants from JobKeeper, cash flow boost programs and state government COVID-19 related grants.

Overall cash decrease was $1,589,000, with net cash used in operating activities totalling $1,541,000. Research and development payments of $310,000 (Q1 FY2021: $377,000) for the quarter included technology development as well as clinical and regulatory activities. Staff costs totalled $853,000 (Q1 FY2021: $815,000) and administration and corporate costs decreased to $152,000 (Q1 FY2021: $317,000). Marketing spend rose to $427,000 (Q1 FY2021: $142,000), due to increased promotional activities undertaken and completed during the previous quarter for ResAppDx and SleepCheck. The company made payments of $129,000 to directors during the period ($59,000 for non-executive director fees and $70,000 for Managing Director remuneration).

ResApp retained a cash balance of $4.2m at the end of the quarter, providing necessary financial flexibility to progress near-term growth initiatives.

Management commentary

CEO and Managing Director Dr Tony Keating said: *"ResApp has achieved a number of key milestones during the quarter, including partnerships with leading organisations and a key appointment which we are confident will accelerate our commercialisation strategy.*

"Despite these achievements, the company has continued to face challenges brought on by the effects of COVID-19. During the quarter, we have re-evaluated our approach to key markets, including the UK and will look to enter new markets and progress partnerships with additional organisations to drive growth.

"The company has a number of near-term objectives during the current quarter including the launch of partner products containing our technology, US human factor studies for SleepCheck, the completion of Ilara Health's evaluation of ResAppDx in Africa and importantly, a pilot trial with Medgate. We look forward to updating shareholders on progress over the coming months."

Investor conference call

Shareholders are invited to join a conference call hosted by Tony Keating, CEO and Managing Director at 11:00am Australian Eastern Daylight Time (AEDT) today. Shareholders can pre-register for the conference call by following the link below. You will receive a calendar notification with dial-in details and a PIN to access the call.

https://s1.c-conf.com/diamondpass/10012171-mft739.html

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About ResApp Health Limited

ResApp Health Limited (ASX: RAP) is a leading digital health company developing smartphone applications for the diagnosis and management of the respiratory disease. ResApp's machine learning algorithms use sound to diagnose and measure the severity of respiratory conditions without the need for additional accessories or hardware. ResApp's regulatory-approved and clinically validated products include ResAppDx, a smartphone-based acute respiratory disease diagnostic test for use in telehealth, emergency department and primary care settings; and SleepCheck, a smartphone application which allows consumers to self-assess their risk of sleep apnoea. Both products are CE Marked in Europe and TGA approved in Australia. For more information, please visit www.resapphealth.com.au.

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This ASX announcement was approved and authorised for release by the board of directors of ResApp Health.

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[i] https://www.gsk.com/media/2710/gsk-annual-report-2014-interactive.pdf

Appendix 4C

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

Name of entity	
ResApp Health Limited	
ABN	**Quarter ended ("current quarter")**
51 094 468 318	**31 December 2020**

Consolidated statement of cash flows		Current quarter $A'000	Year to date (6 months) $A'000
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	42	45
1.2	Payments for		
	(a) research and development	(310)	(687)
	(b) product manufacturing and operating costs	-	-
	(c) advertising and marketing	(427)	(569)
	(d) leased assets	-	-
	(e) staff costs	(853)	(1,668)
	(f) administration and corporate costs	(152)	(469)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	9	15
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	150	346
1.8	Other (provide details if material)	-	-
1.9	**Net cash from / (used in) operating activities**	**(1,541)**	**(2,987)**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	(11)	(21)
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter $A'000	Year to date (6 months) $A'000
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	**Net cash from / (used in) investing activities**	**(11)**	**(21)**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	1,525
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Payment of lease liability	(37)	(74)
3.10	**Net cash from / (used in) financing activities**	**37**	**1,451**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	5,807	5,775
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,541)	(2,987)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(11)	(21)

Consolidated statement of cash flows		Current quarter $A'000	Year to date (6 months) $A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(37)	1,451
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	**Cash and cash equivalents at end of period**	**4,218**	**4,218**

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter $A'000	Previous quarter $A'000
5.1	Bank balances	4,218	5,**807**
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**4,218**	**5,807**

6.	Payments to related parties of the entity and their associates	Current quarter $A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	(129)
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

Item 6.1 above includes Directors fees and salary (including superannuation) for Managing Director.

7.	**Financing facilities** *Note: the term "facility' includes all forms of financing arrangements available to the entity.* *Add notes as necessary for an understanding of the sources of finance available to the entity.*	**Total facility amount at quarter end $A'000**	**Amount drawn at quarter end $A'000**
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	**Total financing facilities**	-	-

7.5	**Unused financing facilities available at quarter end**	-

7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.

8.	**Estimated cash available for future operating activities**	**$A'000**
8.1	Net cash from / (used in) operating activities (item 1.9)	(1,541)
8.2	Cash and cash equivalents at quarter end (item 4.6)	4,218
8.3	Unused finance facilities available at quarter end (item 7.5)	-
8.4	Total available funding (item 8.2 + item 8.3)	4,218
8.5	**Estimated quarters of funding available (item 8.4 divided by item 8.1)**	**3**

Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.

8.6 If item 8.5 is less than 2 quarters, please provide answers to the following questions:

8.6.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer:

8.6.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer:

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

Answer:

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

Compliance statement

1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.

2 This statement gives a true and fair view of the matters disclosed.

29 January 2021

Date: .....

Tony Keating

Authorised by: .....
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.

2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.

3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.

4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [*name of board committee – eg Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".

5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.