

APPENDIX 4D

Half-year report for the period ended 31 December 2020

1. Name of entity

RESAPP HEALTH LIMITED

ABN	Reporting Period	Previous Corresponding Period
51 094 468 318	Half-year ended 31 December 2020	Half-year ended 31 December 2019

2. Results for Announcement to the Market

Financial Results	Up / Down	% Change	31 December 2020
Revenues from ordinary activities (<i>item 2.1</i>)	Up	N/A	to \$46,197
Loss from ordinary activities after tax attributable to members (<i>item 2.2</i>)	Down	18%	to (\$3,127,043)
Net loss for the period attributable to members (<i>item 2.3</i>)	Down	18%	to (\$3,127,043)
Final and interim dividends (<i>item 2.4</i>)	It is not proposed that either a final or interim dividend be paid.		
Record date for determining entitlements to the dividend (<i>item 2.5</i>)	N/A		
Brief explanation of any of the figures reported above (<i>item 2.6</i>):	The current loss for the period is consistent with the operations of the Group and also takes into account the estimated R&D rebate receivable.		

3. NTA Backing

	Current Period	Previous Corresponding Period
Net tangible assets per ordinary share (<i>Item 3</i>)	0.50 cents	0.42 cents

4. Control gained over entities

Details of entities over which control has been gained or lost (<i>item 4</i>)	N/A
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5. Dividends paid and payable

Details of dividends or distribution payments (<i>item 5</i>)	No dividends or distributions are payable.
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6. Dividend reinvestment plans

Details of dividend or distribution reinvestment plans (<i>item 6</i>)	There is no dividend reinvestment program in operation for ResApp Health Limited.
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7. Details of associates

Details of associates and joint venture entities (<i>item 7</i>)	N/A
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8. Foreign entities

Foreign entities to disclose which accounting standards are used in compiling the report (<i>item 8</i>)	N/A
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9. Review Opinion

Details of any audit dispute or qualification (<i>item 9</i>)
There are no audit disputes or qualifications to the review opinion.



ResApp Health Limited
ABN 51 094 468 318

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

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Corporate Information

These interim condensed consolidated financial statements are for ResApp Health Limited and its controlled entities (“the Group”). Unless otherwise stated, all amounts are presented in Australian Dollars.

A description of the Group’s operations and its principal activities is included in the review of operations and activities in the directors’ report on pages 4-8. The directors’ report is not part of the financial statements.

Directors

Dr Roger Aston (*appointed 2 July 2015*)
Dr Tony Keating (*appointed 2 July 2015*)
Mr Chris Ntoumenopoulos (*appointed 21 January 2015*)
Dr Michael Stein (*appointed 6 April 2020*)

Company Secretary

Ms Nicki Farley
Mr Stephen Hewitt-Dutton

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Share Registry & Register

Link Market Services Ltd
Level 12, 250 St Georges Tce
Perth WA 6000

Solicitors

Price Sierakowski Corporate
Level 24, 44 St Georges Tce
Perth WA 6000

Bankers

National Australia Bank
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Stock Exchange Listing

ResApp Health Limited
ASX Code: RAP

Contact Information

Ph: +61 7 3724 0035

Web Site

www.resapphealth.com.au

Directors' Report

The Directors of ResApp Health Limited (“the Company”) and its controlled entities (“the Group”) submit herewith the interim condensed consolidated financial statements of the Group for the half-year ended 31 December 2020. These financial statements cover the period from 1 July 2020 to 31 December 2020.

The names and particulars of the Directors of the Company during or since the end of the half- year are:

Dr Roger Aston (*appointed 2 July 2015*)
Dr Tony Keating (*appointed 2 July 2015*)
Mr Chris Ntoumenopoulos (*appointed 21 January 2015*)
Dr Michael Stein (*appointed 6 April 2020*)

PRINCIPAL ACTIVITIES

During the period, the Company continued the development and commercialisation of the ResApp technology for the purpose of providing health care solutions for respiratory disease.

OPERATING RESULTS AND FINANCIAL POSITION

The Company reported revenue of \$46,197 for the six months ended 31 December 2020. This is following the launch of SleepCheck and deployment of ResAppDx to Australian telehealth providers during the period. The net loss for the half-year ended 31 December 2020 was \$3,127,043 compared with a net loss of \$3,820,394 for the previous period. The Company had a net asset position as at 31 December 2020 of \$5,511,651 (30 June 2020: \$6,998,902).

The Company retained a cash balance of \$4,218,025 as at 31 December 2020. During the half-year, the net cash used in operating activities were \$2,987,207 and receipts from customers were \$45,150. The Company received \$345,300 in government grants and tax incentives associated with the federal government’s JobKeeper and cash flow boost programs and state government coronavirus-related grants and received \$1,525,000 in proceeds from the exercise of options.

REVIEW OF OPERATIONS

Operational Review

ResAppDx

Service agreement to use ResAppDx on Coviu’s telehealth platform

In July 2020, ResApp announced it secured a two-year service agreement with Coviu to make ResApp’s acute respiratory diagnostic test, ResAppDx available to Coviu’s telehealth customers within Australia. Coviu is a spinout of CSIRO’s Data61 initiative that offers video consultation software to healthcare businesses and brings the specific workflows and necessary tools for healthcare consults into an online video call. Under the agreement, ResApp receives a licence fee per test in the range of \$5 to \$10.

ResApp did not witness a material number of tests from the Coviu partnership during the period. This is due to Coviu’s General Practitioner (GP) user base migrating to the currently free-to-use healthdirect video call platform. The healthdirect video call platform is powered by Coviu and managed by healthdirect Australia, on behalf of the Commonwealth Department of Health. As an initiative under the department’s coronavirus pandemic response, healthdirect has offered the healthdirect video call platform for free to Australian GPs.

Due to the speed of the pandemic response, the initial arrangements for the healthdirect video platform did not include third-party add-on offerings. However, ResApp has advanced discussions with Coviu to offer ResAppDx on the healthdirect platform. ResApp is confident that providing access to ResAppDx to healthdirect users will considerably bolster test numbers.

Directors' Report

ResAppDx launched on Phenix Health's telehealth application

In July 2020, the Company announced that it progressed the launch of ResAppDx software on Phenix Health's telehealth mobile application. Phenix Health is Australia's leading virtual super clinic focused on delivering mobile solutions to connect healthcare professionals and patients. Under the agreement, ResApp receives a license fee per test in the range of \$5 to \$10.

As a telehealth-only provider, Phenix is continuing to navigate the challenging regulatory landscape around telehealth reimbursement in Australia. Currently, patients are required to have had an in-person consultation within the last twelve months to qualify for reimbursement. This has meant that patients can access free telehealth through their regular GP while Phenix has not been able to offer bulk-billed consultations. Coupled with social distancing measures leading to reduced respiratory disease rates, Phenix has seen a very low number of acute respiratory consultations that would necessitate the use of ResAppDx during the period. The company will continue to work with Phenix to assist where possible to drive growth in testing.

Medgate to pilot ResAppDx across Europe

In November 2020, the Company announced that it had signed a six-month joint development and pilot agreement with Medgate AG ("Medgate") to integrate and test ResApp's smartphone-based acute respiratory diagnostic test ResAppDx in Medgate's telemedicine services.

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

Medgate and ResApp will work together to build and pilot an integration of ResAppDx in the Medgate services. The integration phase of the project, which covers both technical integration and clinical workflows, is expected to take two months, with a three-month pilot period to evaluate the integration expected to begin in early 2021. During the pilot phase, ResApp and Medgate will jointly assess the impact of ResAppDx on Medgate's telehealth service through a number of key performance indicators.

ResAppDx to be integrated into WMA's telehealth application

In November 2020, the Company announced that it had signed a non-exclusive, two-year software licensing agreement with healthcare solutions provider Workplace Medicine Australia Ltd ("WMA"), to integrate ResApp's acute respiratory diagnostic test ResAppDx, in WMA's upcoming fully integrated and holistic workplace health and wellbeing management application, Medetective (www.medetective.com.au).

WMA will integrate ResAppDx into its new Medetective App, for use as a remote respiratory diagnostic aid alongside a telehealth consultation, reducing the need for employees to book in and travel to see a clinician for diagnosis. ResAppDx will be made available under the Medetective gold and platinum pricing tiers, which include on-demand telehealth medical consultations.

ResAppDx in Emergency Departments and Clinics

In September 2020, the Company announced that the use of ResAppDx at a Federal Government-funded COVID-19 respiratory clinic had been extended for a further 3 three months. ResAppDx is being used by doctors at the clinic to triage patients who present with respiratory symptoms, helping identify illnesses such as lower respiratory tract infections, pneumonia, asthma exacerbations and chronic obstructive pulmonary disease (COPD) exacerbations. A clinical paper summarising the benefits ResAppDx was able to bring to the clinic has been submitted for publication.

Directors' Report

ResAppDx launches on select Android devices

In October 2020, the Company announced that it had launched ResAppDx on select Android devices. This was a major achievement for the Company and significantly broadened the Company's addressable market. According to Google, in 2019 there were an estimated 2.5 billion active Android devices worldwide. Initially, the Company will be focused on deploying the application in Australia and Europe, where there are 11 million and 450 million Android users respectively.

ResAppDx software updates unlock new opportunities

In December 2020, the Company announced that it had released version 2.3 of its ResAppDx smartphone application on the Apple App Store and Google Play Store. The latest version of the application contains a number of advancements, including App Clip (iOS) and Instant App (Android) capabilities and the ability to detect chronic obstructive pulmonary disease (COPD).

SleepCheck

SleepCheck now available in 36 countries

In August 2020, the Company announced that SleepCheck, the Company's direct-to-consumer smartphone application for the self-assessment of sleep apnoea, is available in the App Store for iPhone in 36 countries. SleepCheck version 1.3 was upgraded to be available in English, German, French, Portuguese, Spanish and Italian and available to purchase in the App Store for iPhone throughout Europe (including the United Kingdom), Australia, New Zealand, Hong Kong and Singapore. In addition to translations, SleepCheck v1.3 included enhancements to save the user's age, gender and neck size for easier repeat testing, and provides additional educational material on sleep apnoea, its symptoms and risks, and treatment options.

SleepCheck Pre-Submission package lodged with the US FDA

In September 2020, the Company filed its Pre-Submission package with the United States (US) Food and Drug Administration (FDA) and requested a meeting with the regulatory body to progress clearance of its mobile medical application SleepCheck for use in the US. The Pre-Submission package was lodged as part of the FDA's Pre-Submission Program which provides applicants with the opportunity to obtain targeted feedback from the organisation in response to questions related to their marketing application or data requirements prior to a pre-market submission.

The meeting with the FDA in November 2020 defined a clear path towards gaining regulatory approval. The Company will pursue a 510(k) regulatory pathway for SleepCheck, initially as a prescription only (Rx only) device. The 510(k) approach is the fastest route to market and leverages a prior 510(k) clearance granted for a predicate device.

The lodgment of a 510(k) submission is planned to occur by the end of Q3 FY2021, with a decision from the FDA anticipated 90 days thereafter.

Partnership to integrate HealthEngine's booking engine into SleepCheck

In October 2020, the Company announced that it had signed a 12-month non-exclusive marketing agreement with Australia's largest consumer healthcare network, HealthEngine (HealthEngine.com.au) to integrate its booking engine into the Company's mobile medical application, SleepCheck. Under the agreement, the Company will integrate HealthEngine's booking network into its SleepCheck application, in turn HealthEngine will also promote the use of SleepCheck.

Directors' Report

SleepCheck launched on select Android devices

In December 2020, the Company announced that it had launched SleepCheck on select Android, 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.

Others

AstraZeneca Japan to use new ResApp software in lung cancer clinical study

In October 2020, the Company announced that it had built a new smartphone application which has been nonexclusively licensed 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.

AstraZeneca was particularly attracted to ResApp's proprietary technology due to its superior capability to detect and measure cough using only a smartphone, its ability to differentiate between coughs and background noise and its cloud-based reporting functionality.

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

In December 2020, the Company announced that it had 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 the Company to pursue other initiatives involving a direct-to-consumer approach.

Subsequent Events

On 11 January 2021, Company announced that it has appointed 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. 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.

On 2 February 2021, the Company announced that the European Patent Office has issued a Notice of Allowance for the Company's patent titled, "Methods and apparatus for cough detection in background noise environments."

Directors' Report

On 4 February 2021, the Company announced that it has received a \$707,744 R&D tax refund and a \$93,994 Export Market Development Grant.

On 10 February 2021, the Company announced that it has filed a Pre-Submission package with the United States (US) Food and Drug Administration (FDA) and requested a meeting with the agency to progress the potential clearance of a prescription-only software as a medical device application to detect lower respiratory tract illness in children and adults.

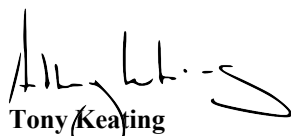
Dividends

No amounts have been paid or declared by way of dividend by the Group since the end of the previous financial year and the Directors do not recommend the payment of any dividend.

Auditor's Independence Declaration

The auditor's independence declaration is included on page 9 of this report.

Signed in accordance with a resolution of the directors


Tony Keating
Director

Brisbane
24th day of February 2021



**Building a better
working world**

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Auditor's Independence declaration to the directors of ResApp Health Limited

As lead auditor for the review of the half-year financial report of ResApp Health Limited for the half-year ended 31 December 2020, I declare to the best of my knowledge and belief, there have been:

- a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- b) no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of ResApp Health Limited and the entities it controlled during the financial period.

A handwritten signature in black ink that reads 'Ernst & Young'. The signature is written in a cursive style and includes a horizontal line underneath the text.

Ernst & Young

A handwritten signature in black ink that reads 'Madhu Nair'. The signature is written in a cursive style and includes a horizontal line underneath the text.

Madhu Nair
Partner
24 February 2021

***Interim Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income
 For the Half-Year Ended 31 December 2020***

	Note	Consolidated	
		31-Dec-20 \$	31-Dec-19 \$
Revenue from contracts with customers		46,197	–
Interest income		12,666	25,793
Other income	4	619,300	475,349
			–
Selling, general and administrative expenses	5	(2,123,138)	(1,506,214)
Research and development expenses	6	(1,682,068)	(2,815,322)
Loss before income tax		(3,127,043)	(3,820,394)
Income tax benefit		–	–
Loss for the half-year		(3,127,043)	(3,820,394)
Other comprehensive income for the half-year:			
Foreign currency translation adjustment		84	–
Total comprehensive income (loss) for the half-year		(3,126,959)	(3,820,394)
Loss per share (basic and diluted) (cents)	16	(0.41)	(0.55)

The above Interim Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

Interim Condensed Consolidated Statement of Financial Position
As at 31 December 2020

	Note	Consolidated	
		31-Dec-20	30-Jun-20
		\$	\$
Current assets			
Cash and cash equivalents	7	4,218,025	5,775,253
Trade and other receivables	8	1,081,596	809,230
Prepayments and other current assets		44,093	71,818
Total current assets		5,343,714	6,656,301
Non-current assets			
Fixed assets	10	286,740	340,792
Intangibles	11	1,686,429	1,753,887
Other financial asset	17	103,673	103,673
Total non-current assets		2,076,842	2,198,352
Total assets		7,420,556	8,854,653
Current liabilities			
Trade and other payables	12	1,217,787	1,168,785
Employee benefits provision - current	13	324,768	277,109
Lease liability - current	17	151,465	137,891
Total current liabilities		1,694,020	1,583,785
Noncurrent liabilities			
Employee benefits provision - noncurrent	13	104,727	80,966
Lease liability - noncurrent	17	110,158	191,000
Total noncurrent liabilities		214,885	271,966
Total liabilities		1,908,905	1,855,751
Net assets		5,511,651	6,998,902
Equity			
Issued capital	14	37,469,770	35,944,770
Share-based payment reserve	15	1,236,477	1,772,183
Foreign currency translation reserve		(2,209)	(2,293)
Accumulated losses		(33,192,387)	(30,715,758)
Total equity		5,511,651	6,998,902

The above Interim Condensed Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

Interim Condensed Consolidated Statement of Changes in Equity
For the Half-Year Ended 31 December 2020

	Fully paid ordinary shares	Share-based payment reserve	Foreign currency translation reserve	Accumulated losses	Total
	\$	\$	\$	\$	\$
Balance at 1 July 2019	28,780,784	6,778,204	–	(27,871,571)	7,687,417
Loss for the half-year	–	–	–	(3,820,394)	(3,820,394)
Total comprehensive income	–	–	–	(3,820,394)	(3,820,394)
Transactions with owners, in their capacity as owners					
Share based payments	–	401,857	–	–	401,857
Expiration of options	–	(5,250,604)	–	5,250,604	–
Issue of shares	500,000	–	–	–	500,000
Balance at 31 December 2019	29,280,784	1,929,457	–	(26,441,361)	4,768,880
Balance at 1 July 2020	35,944,770	1,772,183	(2,293)	(30,715,758)	6,998,902
Loss for the half-year	–	–	–	(3,127,043)	(3,127,043)
Foreign currency translation adjustment	–	–	84	–	84
Total comprehensive income	–	–	84	(3,127,043)	(3,126,959)
Transactions with owners, in their capacity as owners					
Share based payments	–	114,708	–	–	114,708
Expiration/exercise of options	–	(650,414)	–	650,414	–
Issue of shares	1,525,000	–	–	–	1,525,000
Balance at 31 December 2020	37,469,770	1,236,477	(2,209)	(33,192,387)	5,511,651

The above Interim Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Interim Condensed Consolidated Statement of Cash Flows
For the Half-Year Ended 31 December 2020

	Note	Consolidated	
		31-Dec-20	31-Dec-19
		\$	\$
Cash flows from operating activities			
Cash payments to suppliers and employees		(3,392,598)	(3,406,905)
Receipts from customers		45,150	56,262
Interest received		14,941	35,862
R&D tax incentive and other grants received		345,300	1,831,453
Net cash flows used in operating activities		(2,987,207)	(1,483,328)
Cash flows from investing activities			
Acquisition of fixed assets		(21,348)	(1,817)
Investment in term-deposit (restricted)		–	(103,673)
Net cash flows used in investing activities		(21,348)	(105,490)
Cash flows from financing activities			
Proceeds from issue of share capital		1,525,000	–
Payment of principal portion of lease liability		(73,673)	(24,106)
Net cash flows (used in)/provided by financing activities		1,451,327	(24,106)
Net (decrease)/increase in cash and cash equivalents		(1,557,228)	(1,612,924)
Cash and cash equivalents at the beginning of the financial period		5,775,253	5,516,386
Cash and cash equivalents at the end of the financial period	7	4,218,025	3,903,462

The above Interim Condensed Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

***Notes to the Interim Condensed Consolidated Financial Statements
For the Half-Year Ended 31 December 2020***

Note 1 General Information, Basis of Preparation and Statement of Compliance

ResApp Health Limited (“the Company”) and its controlled entities (“the Group”) is a for-profit entity and is domiciled in Australia. The Group, through an exclusive license, is developing smartphone applications for respiratory disease diagnostics and management. Its registered address and principal office is Level 12, 100 Creek Street, Brisbane, Queensland, 4000.

ResApp Health Limited is the ultimate Australian parent entity and ultimate parent of the Group.

Statement of Compliance

These consolidated interim financial statements of the Group are for the half-year ended 31 December 2020 and presented in Australian dollars and all values are rounded to the nearest whole dollar unless otherwise stated. These general-purpose interim financial reports have been prepared in accordance with the requirements *Corporations Act 2001* and Australian Accounting Standard AASB 134: *Interim Financial Reporting*.

This financial report must be read in conjunction with the annual financial report for the year ended 30 June 2020 and any public announcements made by ResApp Health Limited and its controlled entity during the half-year in accordance with continuous disclosure requirements arising under the *Corporations Act 2001*.

The accounting policies have been consistently applied by the Group and are consistent with those in the 30 June 2020 annual financial report. The half-year report does not include full disclosures of the type normally included in an annual financial report.

Note 2 Going Concern

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

During the half-year ended 31 December 2020, the Group incurred a net loss after tax of \$3,127,043 (2019: \$3,820,394) and a net cash outflow from operating activities amounting to \$2,987,207 (2019: \$1,483,328). At 31 December 2020, the Group had cash and cash equivalents of \$4,218,025, net assets of \$5,511,651 and net working capital of \$3,649,694.

In August 2019, ResApp received CE Mark certification for ResAppDx-EU, the world’s first smartphone-based diagnostic test for respiratory disease in adults and children. In October 2019, ResApp announced that ResAppDx-EU had received Australian Therapeutics Goods Administration (TGA) approval as a Class IIa medical device for paediatric use and is now listed on the Australian Register of Therapeutic Goods (ARTG). In February 2020, ResApp announced that had received approval for adult use. These regulatory approvals allow the company to sell and market its products in Australia and Europe and begin generating revenue. The Group is still at the early stage of commercialisation of its products.

Whilst the Group continues to generate operating losses and net cash out flows from operations, the Group’s viability is dependent on cash inflows from commercialisation of its products, capital raising or other funding arrangement.

The Directors believe that the Group has been successful in building a long-term business founded on strong technology. If the Group is unable to manage cash inflows and outflows at amounts as necessary to meet future operating plans, there is a material uncertainty whether the Group will be able to continue as a going concern.

The Directors are confident that they will be able to generate cash flows that will provide sufficient funding to enable the group to continue to be able to pay its liabilities as and when it falls due for a period in excess of 12 months from the date the financial report has been signed.

Notes to the Interim Condensed Consolidated Financial Statements (continued)
For the Half-Year Ended 31 December 2020

Based on the cash flow forecasts and other factors referred to above, the directors are satisfied that the going concern basis of preparation is appropriate.

The financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be necessary should the entity not continue as a going concern.

Note 3 Significant Accounting Policies

The interim condensed consolidated financial statements have been prepared in accordance with the accounting policies adopted in the Group's last annual financial report for the year ended 30 June 2020. The accounting policies have been applied consistently throughout the Group for the purposes of the preparation of these interim financial statements. Several amendments and interpretations apply for the first time in 2020, but do not have an impact on the interim condensed consolidated financial statements of the Group.

Note 4 Other Income

	Consolidated	
	31-Dec-20	31-Dec-19
	\$	\$
R&D tax incentive	274,000	379,122
Other income and grants	345,300	96,227
	619,300	475,349

Management applied judgement to estimate the amount of Research & Development rebate (R&D tax incentive) available to the Group for the half-year ended 31 December 2020 and 2019.

Note 5 Selling, General and Administrative Costs

	Consolidated	
	31-Dec-20	31-Dec-19
	\$	\$
Employee costs and directors' fees	793,323	400,271
Sales and marketing expenses	515,595	135,310
Consulting fees	182,475	178,273
Professional fees (including legal fees)	126,239	144,678
Amortisation and depreciation	75,400	106,610
Share based payment expense	68,365	265,696
Other administration expenses	361,741	275,376
	2,123,138	1,506,214

Notes to the Interim Condensed Consolidated Financial Statements (continued)
For the Half-Year Ended 31 December 2020

Note 6 Research and Development Costs

	Consolidated	
	31-Dec-20	31-Dec-19
	\$	\$
Employee costs	921,506	990,774
Share based payment expense	46,343	136,161
Other research and development costs	714,219	1,688,387
	1,682,068	2,815,322

Note 7 Cash and Cash Equivalents

	Consolidated	
	31-Dec-20	30-Jun-20
	\$	\$
Cash at bank	818,025	675,253
Short-term deposits	3,400,000	5,100,000
	4,218,025	5,775,253

Note 8 Trade and Other Receivables

	Consolidated	
	31-Dec-20	30-Jun-20
	\$	\$
Trade receivable	1,047	–
R&D tax rebate receivable	1,004,000	730,000
GST receivable	76,549	76,955
Interest receivable	–	2,275
	1,081,596	809,230

Note 9 Financial Instruments

The Group's financial instruments consist mainly of deposits with banks and accounts receivable and payable.

The Group consider that the carrying amounts of financial assets and financial liabilities which are all recorded at amortised cost less accumulated impairment charges in these financial statements, approximate their fair values.

	Consolidated	
	31-Dec-20	30-Jun-20
	\$	\$
Financial assets		
Cash and cash equivalents	4,218,025	5,775,253
Other receivables	1,081,596	809,230
Total financial assets	5,299,621	6,584,483

Notes to the Interim Condensed Consolidated Financial Statements (continued)
For the Half-Year Ended 31 December 2020

	Consolidated	
	31-Dec-20	30-Jun-20
	\$	\$
Financial liabilities		
Trade and other payables	1,217,787	1,168,785
Lease liability	261,623	328,891
Total financial liabilities	1,479,410	1,497,676

Note 10 Fixed Assets

During the six months ended 31 December 2020, the Group acquired office and IT equipment with a cost of \$21,348 and recognised depreciation expense of \$75,400.

Note 11 Intangibles

	Consolidated	
	31-Dec-20	30-Jun-20
	\$	\$
Licenced Intellectual Property (IP) – at cost	2,428,459	2,428,459
Less: Accumulated amortisation	742,030	674,572
	1,686,429	1,753,887

Note 12 Trade and Other Payables

	Consolidated	
	31-Dec-20	30-Jun-20
	\$	\$
Trade payables	374,086	358,302
PAYG withholding payable	188,589	202,829
Superannuation payable	62,106	62,516
Accrued expenses & others	593,006	545,138
	1,217,787	1,168,785

Note 13 Employee Benefits Provision

	Consolidated	
	31-Dec-20	30-Jun-20
	\$	\$
<i>Current:</i>		
Annual leave	324,768	277,109
<i>Noncurrent:</i>		
Long-service leave	104,727	80,966

Notes to the Interim Condensed Consolidated Financial Statements (continued)
For the Half-Year Ended 31 December 2020

Note 14 Issued Capital

	Number of Shares	\$
Balance as at 1 July 2020	735,119,489	35,944,770
Shares issued on 1 July 2020 on the exercise of unlisted options	20,000,000	1,375,000
Shares issued on 22 September 2020 on the exercise of unlisted options	3,000,000	150,000
Balance as at 31 December 2020	758,119,489	37,469,770

Fully paid ordinary shares carry one vote per share and carry the right to dividends. Ordinary shares participate in dividends and the proceeds on winding up of the Company in proportion to the number of shares held. At the shareholders' meetings, each ordinary share is entitled to one vote when a poll is called; otherwise each shareholder has one vote on a show of hands.

Performance Shares

On 2 July 2015, ResApp Health Limited acquired 100% of all the rights and title to ResApp Diagnostics Pty Ltd through the issue of 93,750,000 Fully Paid Ordinary Shares and 93,750,000 Performance Shares to the Vendors as consideration for the acquisition. The Performance Shares convert into fully paid ordinary shares on a 1:1 basis on the achievement of the milestone being the Company and any subsidiary (and if the Company or any related entity of the Company is licensed to use licensed IP, the Company and that related entity) achieving aggregated gross revenue of \$20 million in the five years commencing on the day the Company is readmitted to quotation on ASX. On 14 July 2020, the performance shares lapsed with the relevant performance milestone having not been achieved.

Note 15 Equity-Settled Benefits Reserve

	Number of Unlisted Options (including ESOP options)	Equity-Settled Benefits Reserve \$
Balance as at 1 July 2020	38,925,000	1,772,183
Options issued during the half-year	500,000	114,708
Options exercised & lapsed during the half-year	(27,250,000)	(650,414)
Balance as at 31 December 2020	12,175,000	1,236,477

During the half-year ended 31 December 2020, ResApp Health Limited issued the following options which were expensed as share-based payments:

- 500,000 Director Incentive Options were issued to Directors on 2 December 2020 pursuant to the terms of the Company's Employee Incentive Plan. The Options are exercisable at \$0.16 and expire on 2 December 2023. The Director Incentive Options vest immediately.

Notes to the Interim Condensed Consolidated Financial Statements (continued)
For the Half-Year Ended 31 December 2020

The fair value of the options issued was estimated at the date of grant using the Black-Scholes option pricing model. The following table sets out the assumptions made in determining the fair value of the options granted during the half-year ended 31 December 2020.

Grant date	Dividend yield	Expected volatility	Risk-free interest rate	Option exercise price	Expected life (years)	Share price on date of grant	Fair value on grant date	Value attributable to the options in the equity settled benefits reserve
13-Mar-17	0%	100%	1.48%	\$0.45	4	\$0.32	\$0.20	\$99,876
1-May-17	0%	100%	1.48%	\$0.45	4	\$0.32	\$0.20	\$50,942
11-Feb-19	0%	126%	1.47%	\$0.12	3	\$0.09	\$0.07	\$100,506
18-Feb-19	0%	126%	1.47%	\$0.11	3	\$0.09	\$0.06	\$10,122
25-Feb-19	0%	126%	1.47%	\$0.11	3	\$0.09	\$0.06	\$31,639
25-Feb-19	0%	126%	1.47%	\$0.11	3	\$0.09	\$0.06	\$44,294
6-May-19	0%	125%	1.47%	\$0.19	3	\$0.17	\$0.12	\$58,204
6-May-19	0%	125%	1.47%	\$0.19	3	\$0.17	\$0.14	\$274,133
5-Jun-19	0%	127%	1.00%	\$0.19	3	\$0.16	\$0.11	\$45,286
28-Nov-19	0%	89%	0.73%	\$0.21	5	\$0.28	\$0.21	\$135,468
28-Nov-19	0%	89%	0.72%	\$0.43	3	\$0.28	\$0.13	\$255,169
20-Dec-19	0%	89%	0.72%	\$0.32	3	\$0.26	\$0.13	\$37,719
6-Apr-20	0%	148%	0.25%	\$0.16	3	\$0.20	\$0.16	\$61,663
26-Nov-20	0%	139%	0.17%	\$0.16	3	\$0.09	\$0.06	\$31,456
Balance at 31 December 2020								\$1,236,477

Note 16 Loss Per Share

The loss results and weighted average number of ordinary shares used in the calculation of basic loss per share are as follows:

	Consolidated	
	31-Dec-20	31-Dec-19
	\$	\$
Attributable to ordinary equity holders (used in calculating basic and diluted EPS) – continuing operations.	(3,127,043)	(3,820,394)
Weighted average number of ordinary shares for the purpose of basic and diluted earnings per share adjusted for share consolidation	756,766,228	696,204,561
Loss per share (basic and diluted) (cents)	(0.41)	(0.55)

Notes to the Interim Condensed Consolidated Financial Statements (continued)
For the Half-Year Ended 31 December 2020

Note 17 Leases

Set out below are the carrying amounts of lease liability and the movements during the period:

	Consolidated	
	31-Dec-20	30-Jun-20
	\$	\$
Balance as at beginning of the period	328,891	-
Additions	-	412,706
Accretion	6,405	12,608
Payments	(73,673)	(96,423)
Balance as at end of period	261,623	328,891

The term-deposit of \$103,673 is held as security for the bank guarantee as required for the lease agreement. The term-deposit is presented as a noncurrent asset in the statement of financial position.

Note 18 Commitments

	Consolidated	
	31-Dec-20	31-Dec-19
	\$	\$
<i>Research expenditure commitment</i>		
Not later than 1 year	-	65,984
Total research expenditure commitment	-	65,984
<i>Health economics/clinical study commitments</i>		
Not later than 1 year	7,692	22,692
Total health economics/clinical study commitments	7,692	22,692
<i>Other commitments</i>		
Not later than 1 year	25,000	38,763
Total other commitments	25,000	38,763

Note 19 Subsequent Events

On 11 January 2021, Company announced that it has appointed 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. 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.

Notes to the Interim Condensed Consolidated Financial Statements (continued)
For the Half-Year Ended 31 December 2020

On 2 February 2021, the Company announced that the European Patent Office has issued a Notice of Allowance for the Company’s patent titled, “Methods and apparatus for cough detection in background noise environments.”

On 4 February 2021, the Company announced that it has received a \$707,744 R&D tax refund and a \$93,994 Export Market Development Grant.

On 10 February 2021, the Company announced that it has filed a Pre-Submission package with the United States (US) Food and Drug Administration (FDA) and requested a meeting with the agency to progress the potential clearance of a prescription-only software as a medical device application to detect lower respiratory tract illness in children and adults.

The above matters are non-adjusting events and did not have an impact on the 31 December 2020 financial report.

Note 20 Segment Reporting

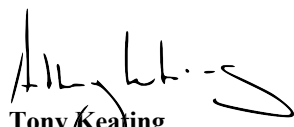
The Group has identified its operating segment as medical technology. The reportable segment is represented by the primary consolidated statements forming the financial report for the half-year ended 31 December 2020. These are the figures that are reviewed and used by the Board of Directors in assessing performance and determining the allocation of resources.

Directors' Declaration

The Directors' of the Group declare that:

1. The accompanying interim condensed consolidated financial statements and notes are in accordance with the *Corporations Act 2001*, including:
 - (a) comply with Accounting Standard AASB 134, *Interim Financial Reporting*; and
 - (b) give a true and fair view of the Group's financial position as at 31 December 2020 and of its performance for the half-year ended on that date;
2. in the directors' opinion, there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable;

This declaration is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the directors by:



Tony Keating
Director

Brisbane
24th day of February 2021



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Independent Auditor's Review Report to the Members of ResApp Health Limited

Report on the half-year financial report

Conclusion

We have reviewed the accompanying half-year financial report of ResApp Health Limited (the Company) and its subsidiaries (collectively the Group), which comprises the consolidated statement of financial position as at 31 December 2020, the consolidated statement of profit or loss and comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes comprising a statement of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the half-year financial report of the Group is not in accordance with the *Corporations Act 2001*, including:

- a) giving a true and fair view of the consolidated financial position of the Group as at 31 December 2020 and of its consolidated financial performance for the half-year ended on that date; and
- b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Emphasis of Matter - Material Uncertainty Related to Going Concern

We draw attention to Note 2 in the financial report, which describes the principal conditions that raise doubt about the Group's ability to continue as a going concern. These events or conditions 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.

Directors' responsibility for the half-year financial report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal controls as the directors determine are necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

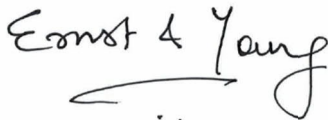
Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, anything has come to our attention that causes us to believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group's consolidated financial position as at 31 December 2020 and its consolidated financial performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of the Group, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.



Ernst & Young



Madhu Nair
Partner
Brisbane
24 February 2021