Quarterly Activities Report

For the period ending 31 March 2022

- **ResAppDx launched on Alodokter (Indonesia) and Doctors on Demand (Australia) telehealth platforms**
- **New ResAppDx customer agreements with Homify (Philippines), Health Teams (Australia) and Dartford and Gravesham NHS Trust (UK)**
- **Positive results for an instant COVID-19 screening test requiring only a smartphone**
- **Proposed acquisition of ResApp by Pfizer at a price of $0.115 per share in cash**
- **Research and development license with Pfizer, including a $3 million upfront fee and up to $1 million in milestone payments**
- **Quarterly customer receipts increased 44% to $178,000 (Q2: $124,000)**

Brisbane, Australia, 26 April 2022 – 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 three month period ended 31 March 2022 ("Q3 FY2022").

OPERATIONAL HIGHLIGHTS

ACUTE RESPIRATORY DIAGNOSIS

Continued broader use of ResAppDx in telehealth

In January, Alodokter, Indonesia's largest telehealth provider, launched ResAppDx, ResApp's acute respiratory disease diagnostic test, on their telehealth platform. ResAppDx also went live on Doctors on Demand's telehealth platform in Australia.

During the quarter, ResApp signed a binding letter of intent (LOI) with the Philippines-based telehealth start-up, Homify, which plans to launch ResAppDx on its platform in the middle of calendar year 2022. ResApp secured regulatory approval in the Philippines for ResAppDx during the quarter. The LOI is conditional upon Homify achieving certain milestones, including securing the necessary regulatory and legal approvals to operate a telehealth business in the Philippines.

In February, ResApp signed a two-year non-exclusive agreement with Australian aged-care patient monitoring platform provider, Health Teams. Health Teams plans to use ResAppDx on both its telehealth platform and for in-room patient consultations.

In April, ResApp signed a one-year agreement with the Dartford and Gravesham National Health Service (NHS) Trust to pilot ResAppDx across its four hospitals. The pilot is expected to commence in the third quarter of calendar year 2022.

ResAppDx is now live on major telehealth platforms in Switzerland (Medgate), Australia (Coviu, Phenix Health and Doctors on Demand) and Indonesia (Alodokter). ResApp continues to have discussions with several additional telehealth providers globally.

Pre-submission meeting with the US FDA
In January, ResApp held a pre-submission meeting with the US Food and Drug Administration (FDA) to progress the clearance of a prescription-only software as medical device application to detect lower respiratory tract illness in children and adults. During the meeting ResApp received feedback from the FDA on potential approval pathways for the application and other requirements. ResApp expects to continue to engage with the FDA through additional pre-submission meetings to progress clearance.

COVID-19 RESEARCH PROGRAM

Positive results for detecting COVID-19 using a new cough audio-based algorithm
During the quarter, ResApp announced positive results for a new novel cough audio-based COVID-19 screening test that only requires a smartphone. In a pilot clinical trial of 741 patients, ResApp's screening test was found to correctly detect COVID-19 (sensitivity) in 92% of people with infection. The test was found to correctly identify patients who don't have COVID-19 with 80% specificity. In a population where 5% of individuals are positive for the virus, the test had a negative predictive value of 99.5%, meaning that people who receive a negative test result are almost certainly truly negative and may not require a follow-on rapid antigen or PCR test.

To ensure that the algorithm was specific to COVID-19 it was also tested against ResApp's Breathe Easy pre-COVID-19 dataset. This dataset included patients with a variety of non-COVID-19 related acute and chronic respiratory conditions. The algorithm achieved greater than 90% specificity for these patients.

This reported performance was obtained using K-fold cross-validation to provide an estimate of performance on unseen data. ResApp is now progressing a validation study of the algorithms by recruiting additional patients in India and the United States to confirm the cross-validation results.

ResApp is preparing documentation to engage with regulators globally to confirm pathways for regulatory approval and, in parallel, is in discussions with multiple sites for a blinded prospective study with results to be used for regulatory submissions.

SLEEP APNOEA SCREENING

Update on SleepCheckRx US FDA 510(k) premarket notification submission
In October 2021, ResApp submitted a 510(k) premarket notification submission to the US FDA for SleepCheckRx, a prescription-only, software as a medical device smartphone application for at-home sleep apnoea screening. In December, ResApp received a request for additional information from the FDA and ResApp held a meeting with the FDA to clarify this request in January. ResApp is preparing its response to the FDA's request for additional information and expects to submit a response to the FDA in June.

COMPANY

Proposed acquisition of ResApp by Pfizer

In April, ResApp announced that it had entered into a binding scheme implementation deed with Pfizer Australia Holdings Pty Limited (a wholly owned subsidiary of Pfizer Inc, a global biopharmaceutical company) under which it is proposed that Pfizer will acquire 100% of the shares in ResApp Health by way of a Scheme of Arrangement for $0.115 per share in cash, representing a total equity value of approximately $100 million. The consideration represents a 27.8% premium to the closing price of ResApp shares on the last trading day prior to announcement of the scheme

Subject to the Independent Expert determining that the Scheme is in the best interests of ResApp shareholders, and in the absence of a superior proposal, the Directors of ResApp unanimously recommend that ResApp shareholders vote in favour of the Scheme and intend to vote shares in their control in favour of the proposed Scheme.

ResApp is presently preparing a Scheme Booklet which will contain information related to the Scheme, including the reasons for the Directors' recommendation and details of the Scheme Meeting. The Scheme Booklet will also include an Independent Expert's opinion on whether the Scheme is in the best interests of ResApp shareholders. The Scheme Booklet is expected to be sent to ResApp shareholders in mid-May 2022. The Scheme Meeting expected to be held in mid-June 2022.

R&D License Agreement with Pfizer

In parallel, ResApp entered into a six-month research and development (R&D) licence agreement with Pfizer to collaborate on the R&D of products in the field of COVID-19. This licence agreement includes a $3 million upfront license fee and up to $1 million in milestone payments. ResApp has provided Pfizer a right of first negotiation for certain commercial transactions with third parties (including commercialisation licences) in the COVID-19 field.

SECOND QUARTER FINANCIAL RESULTS

Receipts from customers for the quarter totalled $178,000 (Q2: $124,000), which comprised of payments from customers for SleepCheck downloads and ResAppDx use, and additional advanced payments from Janssen.

Overall cash decrease was $1,706,000 (Q2: $1,062,000), with net cash used in operating activities totalling $1,577,000 (Q2: $969,000). Research and development payments decreased to $410,000 (Q2: $697,000) due to the completion of the US and India COVID-19 studies during the quarter. Advertising and marketing costs increased to $70,000 (Q2: $36,000). Staff costs remained constant at $1,018,000 (Q2: $1,068,000). The company made payments of $152,000 to directors during the period ($32,000 for non-executive director fees and $120,000 for executive director fees).

ResApp retained a cash balance of $1.7 million at the end of the quarter. ResApp expects to shortly receive the $3 million upfront license fee from the Pfizer research and development

agreement and also may receive up to an additional $1 million in milestone payments during the quarter.

MANAGEMENT COMMENTARY

CEO and Managing Director Dr Tony Keating said: *"In January, we were excited to see the launch of ResAppDx on two additional telehealth platforms – Alodokter in Indonesia and Doctors on Demand in Australia. We are now reaching a large number of doctors and patients with ResAppDx and hope to continue to see growth in use. It is through this growth that we will build trust and confidence in our product which will drive further adoption.*

"We were delighted to announce in March that we had achieved positive results from our COVID-19 program. The ability to use a smartphone-based screening test to rapidly rule-out COVID-19 infection in large numbers of people would provide many benefits. By reducing the number of rapid antigen or PCR tests required, we may be able to substantially reduce costs, increase reach (identify more positive infections than before) and reduce the environmental impact of traditional testing.

"We are also excited by the proposed acquisition by Pfizer. The proposal recognises the years of dedicated work by our team to build ResApp into a leader in audio-based analysis of respiratory health. It represents a great validation of our technology and the benefits it brings to patients and clinicians. The board of ResApp considers the price offered to be an attractive premium to the pre-announcement share price and combined with the certainty of an all-cash offer, the proposal represents an attractive option for shareholders."

CONFERENCE CALL DETAILS

Shareholders are invited to join a conference call hosted by Managing Director and CEO, Dr Tony Keating at 10:00am Australian Eastern Standard Time (AEST) today. Shareholders can pre-register for the call by following the link below. Registered participants will receive a calendar notification with dial-in details and a PIN to access the call.

https://s1.c-conf.com/diamondpass/10021642-hbj520.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 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.

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 March 2022**

Consolidated statement of cash flows		Current quarter $A'000	Year to date (9 months) $A'000
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	178	309
1.2	Payments for		
	(a) research and development	(410)	(1,665)
	(b) product manufacturing and operating costs	-	-
	(c) advertising and marketing	(70)	(159)
	(d) leased assets	-	-
	(e) staff costs	(1,018)	(3,068)
	(f) administration and corporate costs	(257)	(890)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	-	4
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	819
1.8	Other (provide details if material)	-	-
1.9	**Net cash from / (used in) operating activities**	**(1,577)**	**(4,650)**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	(22)
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	(90)	(131)

Consolidated statement of cash flows		Current quarter $A'000	Year to date (9 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**	**(90)**	**(153)**

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	-	-
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	(39)	(116)
3.10	**Net cash from / (used in) financing activities**	**(39)**	**(116)**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	3,374	6,587
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,577)	(4,650)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(90)	(153)

Consolidated statement of cash flows		Current quarter $A'000	Year to date (9 months) $A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(39)	(116)
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	**Cash and cash equivalents at end of period**	**1,668**	**1,668**

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	1,668	3,374
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)**	**1,668**	**3,374**

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	(152)
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 salaries (including superannuation) for Managing Director and Executive Director, Corporate Affairs.

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)	(1,577)
8.2	Cash and cash equivalents at quarter end (item 4.6)	1,668
8.3	Unused finance facilities available at quarter end (item 7.5)	-
8.4	Total available funding (item 8.2 + item 8.3)	1,668
8.5	**Estimated quarters of funding available (item 8.4 divided by item 8.1)**	**1**

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: Yes.

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: On 11 April 2022, the Company announced that it has entered into a binding scheme implementation deed with Pfizer under which it is proposed that Pfizer will acquire 100% of the share of the Company. The proposed acquisition is subject to shareholders' approval. In addition, the Company entered into a Research & Development Licence Agreement with Pfizer which involved a $3 million up-front licence fee and up to $1 million in milestone payments based on clinical trial recruitment. The Company expects to receive the funds from Pfizer in Q4 FY22, providing additional funding for the Company to be able to continue its operations.

8.6.3	Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?
Answer:	Yes, as per the answer provided in item 8.6.2, the Company expects to receive a $3 million upfront license fee and up to an additional $1 million in milestone payments from Pfizer in Q4 FY22.

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

Compliance statement

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

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

Date: 26 April 2022

Authorised by: Tony Keating
(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.