ResApp Health Limited and its Controlled Entities
ABN 51 094 468 318

Appendix 4E – Preliminary Final Report for the Year Ended 30 June 2022

Reporting Period

The reporting period for ResApp Health Limited is the year ended 30 June 2022 with the previous corresponding year to 30 June 2021.

Results for Announcement to the Market

	Up / Down	Change		2022 $	2021 $
Revenues from ordinary activities	Up	3503%	to	2,512,411	69,731
Loss from ordinary activities after tax attributable to members	Up	5%	to	(7,095,510)	(6,774,495)
Net loss for the period attributable to members	Up	5%	to	(7,095,510)	(6,774,495)

Dividend Information	Amount per share	Franked amount per share
Dividend – current reporting period	Nil	Nil
Dividend – previous reporting period	Nil	Nil

	2022 Cents	2021 Cents
Net tangible asset backing per ordinary share	0.14	0.70

Commentary on the Results for the Period

Refer to the 'Review of Operations' section in the Directors' report attached for further explanation of the results.

Audit

The financial statements have been audited and an unqualified audit opinion with emphasis of matter has been issued.

Attachment

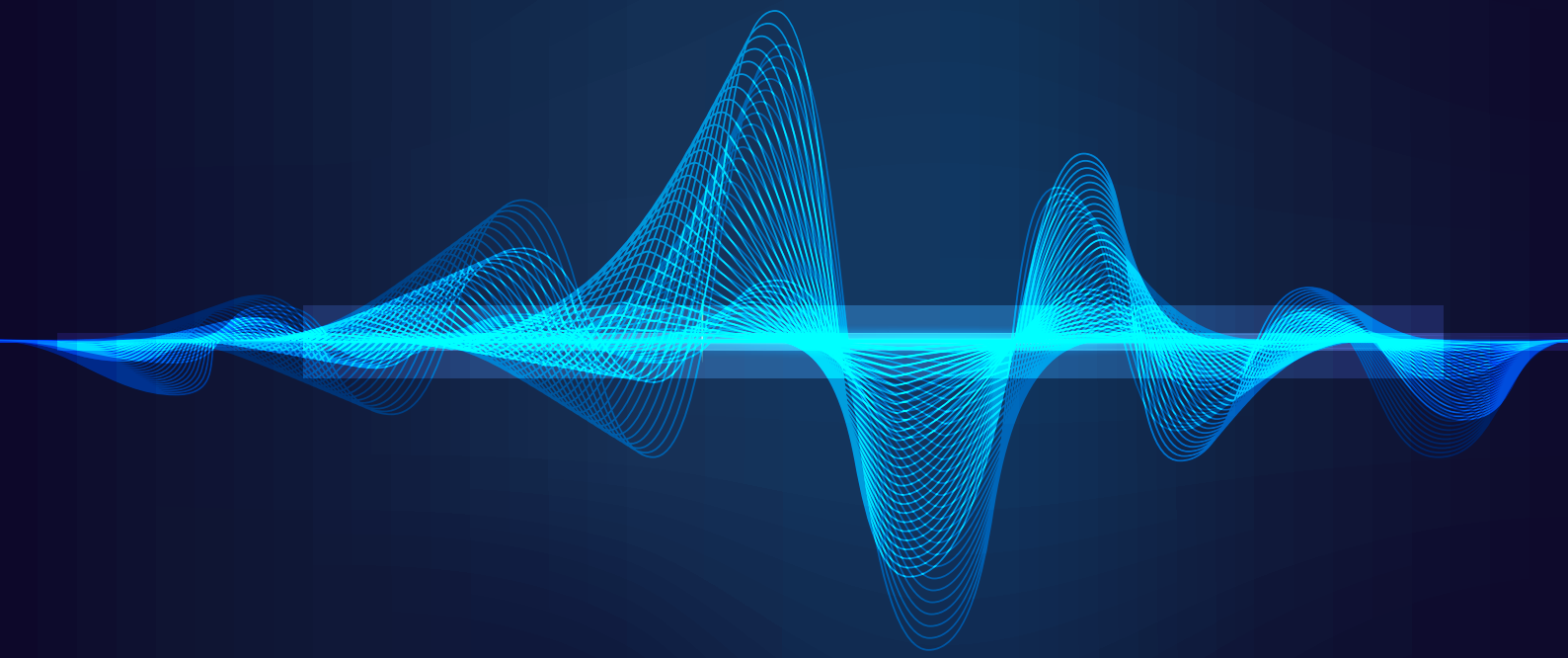
The Annual Report of ResApp Health Limited for the year ended 30 June 2022 is attached.

Tony Keating
Director

Brisbane
30th day of August 2022

ResApp HEALTH

2022 Annual Report



ResApp Health Limited
ABN 51 094 468 318

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Corporate Information

This annual report is 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 of its principal activities is included in the review of operations and activities in the directors' report on pages 7-11. 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)*
Mr Brian Leedman *(appointed 18 May 2021)*

Company Secretary
Ms Nicki Farley

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Phone: +61 7 3724 0035

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Brisbane QLD 4000

Share Registry & Register
Automic Pty Ltd
Level 5, 191 St Georges Tce
Perth WA 6000
Phone: +61 8 9324 2099

Stock Exchange Listing
ResApp Health Limited
ASX Code: RAP

Bankers
National Australia Bank
Level 17, 259 Queen Street
Brisbane QLD 4000

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 annual financial statements of the Group for the financial year ended 30 June 2022. These financial statements cover the period from 1 July 2021 to 30 June 2022. In order to comply with the provision of the *Corporations Act 2001*, the Directors' report is as follows:

The names and particulars of the Directors of the Company as at the date of this report:

Dr Roger Aston

Non-Executive Chairman
(appointed 2 July 2015)

Dr Aston is a scientist and seasoned biotechnology entrepreneur. He has been closely involved in start-up companies and major pharmaceutical companies. Aspects of his experience include US Food and Drug Administration (FDA) and European Union (EU) product registration, clinical trials, global licensing agreements, fundraising through private placements, and a network of contacts within the pharmaceutical, banking and stock broking sectors.

Dr Aston has also held Directorships/Chairmanships with Clinuvel Ltd, HalcyGen Ltd, and Ascent Pharma Ltd, was a member of the AusIndustry Biological Committee advising the Industry Research and Development Board.

More recently, Dr Aston was Executive Chairman of Mayne Pharma Group from 2009 to 2011 and later, CEO of Mayne Pharma Group.

Interest in Shares and Options

Dr Aston holds 290,000 ordinary shares directly in the Company.
Dr Aston holds 8,437,500 ordinary shares indirectly in the Company.
Dr Aston holds 500,000 options directly in the Company.

Directorships held in other listed entities

During the past three years Dr Aston has served as a Director for the following other listed companies:

(a) Immuron Limited – appointed 25 May 2012;
(b) PharmAust Limited – appointed 12 August 2013; and
(c) Oncosil Medical Limited – appointed 28 March 2013.

Dr Tony Keating

Chief Executive Officer and Managing Director
(appointed 2 July 2015)

Dr Keating has over ten years' experience in commercialising technology. Dr Keating created the initial business strategy for ResApp and has led the commercialization of ResApp's technology to date. Previously, Dr Keating was Director, Commercial Engagement at UniQuest Pty Ltd, one of the global leaders in commercialisation of university technology. While at UniQuest, Dr Keating held roles as interim Chief Executive Officer and Non-Executive Director for a number of privately-held, venture-capital funded start-up companies. Prior to joining UniQuest Dr Keating held business development and engineering management roles at Exa Corporation, a US-based software company that was listed on the NASDAQ and later acquired by Dassault Systèmes.

Dr Keating holds a Bachelor of Engineering, a Master of Engineering Science and a Doctor of Philosophy (Mechanical Engineering) from The University of Queensland. Dr Keating also has an Executive Certificate of Management and Leadership from the MIT Sloan School of Management.

Directors' Report

Interest in Shares and Options	Dr Keating holds 10,225,000 shares directly in the Company. Dr Keating holds 1,475,000 options indirectly in the Company.
Directorships held in other listed entities	During the past three years Dr Keating has not held directorship of any other ASX listed companies.
Mr Chris Ntoumenopoulos	**Non-Executive Director** **(appointed 21 January 2015)** Mr Ntoumenopoulos is the Managing Director of Twenty 1 Corporate. He has worked in financial markets for the past 15 years, focusing on Capital Raisings, Portfolio Management and Corporate Advisory. Mr Ntoumenopoulos has advised and funded numerous ASX companies from early-stage venture capital, through to IPO. He is an executive director of various private companies which span across finance, technology and medical sectors. Mr Ntoumenopoulos has a Bachelor of Commerce degree from the University of WA, majoring in Money and Banking, Investment Finance and Electronic Commerce.
Interest in Shares and Options	Mr Ntoumenopoulos holds 3,609,375 shares indirectly in the Company. Mr Ntoumenopoulos holds 500,000 options directly in the Company.
Directorships held in other listed entities	During the past three years Mr Ntoumenopoulos has served as a Director for the following other listed companies: (a) Race Oncology Ltd – appointed 27 April 2016; resigned 28 October 2020; (b) Tryp Therapeutics Inc. – appointed 25 May 2022.
Dr Michael Stein	**Non-Executive Director** **(appointed 6 April 2020)** Dr Stein is currently the founding CEO of Added Health, a U.K. based company focused on preventive health, having been acting CEO of an immuno-oncology company, Valo Therapeutics. Dr Stein previously served as founding CEO for Doctor Care Anywhere, a UK-based telemedicine platform acquired by Synergix in 2015. In 2001, he cofounded the Map of Medicine with University College London and was the founding CEO. The Map was a set of clinical algorithms that represented the patient healthcare journey from suspected diagnosis to treatment across all healthcare settings. The Map was nationally licensed across NHS England and was acquired by Hearst Business Media in 2008. Dr Stein graduated as a medical doctor and biochemist from the University of Cape Town and with a doctorate in Physiological Sciences from the University of Oxford, which he attended as a Rhodes Scholar.
Interest in Shares and Options	Dr Stein holds no shares in the Company. Dr Stein holds 500,000 options directly in the Company.
Directorships held in other listed entities	During the past three years Dr Stein has not held directorship of any other ASX listed companies.

Directors' Report

Mr Brian Leedman

Executive Director, Corporate Affairs
(appointed 18 May 2021)

Mr Leedman is a marketing and investor relations professional with over 15 years' experience in the biotechnology industry. Mr Leedman is the founder of ResApp Diagnostics Pty Ltd which was acquired by Narhex Life Sciences Ltd to form ResApp Health. Prior to ResApp, Mr Leedman co-founded Oncosil Medical Limited and Biolife Science (QLD) Limited (acquired by Imugene Limited). Mr Leedman previously served for 10 years as Vice President, Investor Relations for pSivida Corp which is listed on the ASX and NASDAQ. He is formerly the WA chairman of AusBiotech, the association of biotechnology companies in Australia.

Mr Leedman holds a Bachelor of Economics and a Master of Business Administration from the University of Western Australia.

Interest in Shares and Options

Mr Leedman holds 35,125 shares directly in the Company.
Mr Leedman holds 5,867,522 shares indirectly in the Company.
Mr Leedman holds no options in the Company.

Directorships held in other listed entities

During the past three years Mr Leedman has served as a Director for the following listed companies:

(a) Neurotech International Limited – appointed 19 October 2020; resigned 15 August 2022.
(b) NGS Limited – appointed 1 September 2020; resigned 28 February 2022.

Ms Nicki Farley

Company Secretary
(appointed 7 November 2012)

Ms Farley has over 15 years' experience working within the legal and corporate advisory sector providing advice in relation to capital raisings, corporate and securities laws, mergers and acquisitions and general commercial transactions. Ms Farley also holds a number of company secretarial roles for ASX listed companies. Ms Farley holds a Bachelor of Laws and Arts from the University of Western Australia.

Directors' Meetings

The following table sets out the number of directors' meetings held during the financial year and the number of meetings attended by each director (while they were a director).

	Board of Directors	
	Eligible to Attend	**Attended**
Dr Roger Aston	9	9
Dr Tony Keating	9	9
Mr Chris Ntoumenopoulos	9	9
Dr Michael Stein	9	7
Mr Brian Leedman	9	9

Directors' Report

PRINCIPAL ACTIVITIES

During the year, 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 $2,512,411 for the year ended 30 June 2022 (2021: $69,731). The net loss for the year ended 30 June 2022 was $7,095,510 compared with a net loss of $6,774,495 for the previous year. The Company had a net assets position as at 30 June 2022 of $689,561 (2021: $7,603,999).

The Company retained a cash balance of $2,290,552 as at 30 June 2022 (2021: $6,587,434). During the year, the net cash used in operating activities were $4,014,787 (2021: $5,664,212) and receipts from customers were $4,516,564 (2021: $127,199).

REVIEW OF OPERATIONS

Operational Review

Acute Respiratory Diagnosis

ResAppDx launched on telehealth platforms in Europe, Australia, and Indonesia

In July 2021, ResApp signed an agreement with Australian-based telehealth company Doctors on Demand to use ResAppDx, ResApp's smartphone-based acute respiratory diagnostic test, on Doctors on Demand's telehealth platform in Australia. Launched in 2015, Doctors on Demand offers both direct-to-consumer (B2C) and business-to-business (B2B) offerings for patients with a wide array of telehealth services. Its customers include Flight Centre, Allianz Partners and one of the world's largest mining companies. In January 2022, ResApp announced that ResAppDx had been successfully implemented and was live on Doctors on Demand's platform.

In August 2021, ResApp signed an agreement with Medgate AG to use ResAppDx on Medgate's telehealth platform in Europe and the Philippines. Medgate is a leading provider of telehealth services and since 2000 has operated the largest telemedical centre run by doctors in Europe. In July 2022, ResApp signed a 12-month extension to its licence agreement with Medgate. Medgate also plans to expand the use of ResAppDx across additional patient journeys and will expand use into Germany in calendar year 2023.

In August 2021, ResApp signed an agreement with Indonesian-based telehealth company Alodokter to use ResAppDx on Alodokter's telehealth platform in Indonesia. The Alodokter platform connects more than 50,000 doctors and 1,500 hospitals and clinics with millions of Indonesian patients. In January 2022, ResApp announced that ResAppDx had been successfully implemented and was live on Alodokter's platform.

In January 2022, 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 subsequently secured regulatory approval in the Philippines for ResAppDx. 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 2022, 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 2022, 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.

Directors' Report

Janssen Pharmaceutica NV to use ResAppDx in RSV clinical trial

In November 2021, ResApp signed a three-year, non-exclusive licensing agreement with Janssen Pharmaceutica NV (Janssen), one of the Janssen Pharmaceutical Companies of Johnson & Johnson, for the use of its ResAppDx technology in a respiratory syncytial virus (RSV) clinical trial. ResAppDx will be used in a clinical trial conducted by Janssen to assess the respiratory symptoms of a cohort of patients with a range of respiratory diseases, including RSV. The trial will be conducted in the United States, Europe, South America and Asia-Pacific.

Emerging markets distribution agreement signed with Sanrai International

In December 2021, ResApp entered into a three-year distribution agreement with Sanrai International to distribute ResAppDx in emerging markets. Sanrai is headquartered in New York and has a network of regional offices and partners in Latin America, Africa, the Middle East and South Asia.

Pre-submission meeting with the US FDA

In February 2021, ResApp submitted a pre-submission meeting request with the FDA 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 pre-submission meeting was held in January 2022. 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 to progress clearance.

COVID-19

COVID-19 algorithm development and results from validation study

During the year, ResApp continued recruitment in its COVID-19 studies in India and the United States. In March 2022, 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 in 92% of people with infection. The test was found to identify patients who don't have COVID-19 with 80% specificity. This reported performance was obtained using K-fold cross-validation to provide an estimate of performance on unseen data.

During the year, ResApp progressed a validation study of the algorithms by recruiting 1,566 additional patients in India and the US. In June 2022, ResApp announced the results from the validation study which showed that ResApp's COVID-19 algorithm achieved a sensitivity of 84% and a specificity of 58%, significantly lower than the results of ResApp's cross-validation results from its pilot trial and not commercially viable.

ResApp is investigating a number of factors that could have caused the poor results, including the ever-changing nature of COVID-19 variants, changes in background diseases seen in patients presenting for COVID-19 testing as well as confounding factors and biases in the dataset used to train the algorithms. While ResApp remains confident that COVID-19 has a unique signature that can be found in the audio of cough sounds, further research will be needed to increase the performance of the algorithms to commercially viable levels. As part of this research, ResApp will need to recruit additional patients to build a larger dataset to both train and validate algorithm options.

Directors' Report

Establishment of a COVID-19 Scientific Advisory Board

In December 2021, ResApp announced the establishment of a COVID-19 Scientific Advisory Board (SAB). The COVID-19 SAB includes leading clinicians from Australia, Europe and the United States who will provide scientific and clinical advice to ResApp on its COVID-19 programs.

Chronic Respiratory Disease Monitoring and Management

Partnership with Carepath Technologies GmbH for COPD monitoring

In November 2021, ResApp signed a joint development and pilot agreement with Berlin-based company Carepath Technologies GmbH. Under the agreement, Carepath will integrate ResApp's smartphone-based respiratory diagnostic test ResAppDx in their NELA platform and perform a pilot in Germany on the remote monitoring and management of chronic obstructive pulmonary disease (COPD) patients.

In addition to using ResAppDx to monitor patients, the pilot will collect longitudinal COPD data from patients which will potentially allow ResApp to incorporate additional functionality into ResAppDx tailored to the monitoring and management of these COPD patients.

Cough Counter Application

In November 2021, ResApp announced that it had achieved Australian Therapeutics Good Administration (TGA) clearance and CE Mark certification for the world's first regulatory-approved standalone cough counter smartphone application. The application is now listed on the Australian Register of Therapeutic Goods (ARTG) and available for sale in Europe as a class I medical device. ResApp's cough counting technology is already being used by the global biopharmaceutical company AstraZeneca to monitor patients participating in a lung cancer clinical trial and an asthma management support program.

Sleep Apnoea Screening

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 (SaMD) smartphone application for at-home sleep apnoea screening. In December 2021, ResApp received a request for additional information from the FDA and ResApp held a meeting with the FDA to clarify this request in January 2022.

In July 2022, ResApp received notice from the US Food and Drug Administration (FDA) that SleepCheckRx had received 510(k) clearance. Gaining this clearance enables ResApp to commercially market the test in the US. ResApp will now need to invest in the sales and marketing infrastructure needed to launch SleepCheckRx in the US with a strategy of targeting employers, commercial health plans and sleep clinics.

Proposed acquisition of ResApp by Pfizer

In April 2022, 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) (**Pfizer**) under which it is proposed that Pfizer will acquire 100% of the shares in ResApp by way of a scheme of arrangement for $0.115 per share in cash, representing a total equity value of approximately $100 million.

In June 2022, ResApp and Pfizer agreed to increase the scheme consideration to $0.207 per share in cash upon satisfaction of the Qualifying Confirmatory Data Readout Condition (as described further below), or $0.146 per share if the Qualifying Confirmatory Data Readout Condition was not satisfied. The Qualifying Confirmatory Data Readout Condition would be achieved if an analysis of collected clinical trial subject samples conducted by ResApp (**Data Confirmation Study**) showed that ResApp's Covid-19 algorithm reported a sensitivity equal to or greater than 86% and specificity equal to or greater than 71%.

Directors' Report

In June 2022, the results from the Data Confirmation Study were reported and the Qualifying Confirmatory Data Readout Condition was not satisfied, resulting in the scheme consideration to be $0.146 per share in cash, representing a total equity value of approximately $127 million.

Subsequent Events

Scheme of Arrangement

Subsequent to the reporting period, ResApp provided the following updates on the proposed scheme of arrangement with Pfizer:

- On 15 July 2022, ResApp announced that the Supreme Court of New South Wales has made orders that ResApp convene a meeting of ResApp shareholders to consider and vote on the Scheme and approving the dispatch of the scheme booklet dated 15 July 2022 (**Scheme Booklet**) to ResApp shareholders.

- On 18 July 2022, ResApp announced that the Australian Competition and Consumer Commission (**ACCC**) condition precedent in the Scheme has been satisfied and that the Scheme Booklet has been registered with the Australian Securities and Investments Commission (**ASIC**).

- On 20 July 2022, ResApp announced that it has dispatched to ResApp shareholders the Scheme Booklet which contains information about the Scheme and Scheme meeting.

- On 3 August 2022, ResApp and Pfizer agreed to increase the scheme consideration to $0.208 per share in cash, representing a total equity value of approximately $180 million. ResApp released a supplementary scheme booklet to ASX on 5 August 2022 and completed dispatch of that supplementary scheme booklet to shareholders on 8 August 2022.

- On 16 August 2022, ResApp announced that it has received confirmation from Pfizer that the all-cash consideration of A$0.208 per ResApp share is its best and final offer and it will not increase its offer under the scheme implementation deed, subject to no competing proposal emerging. Also, ResApp announced that Pfizer and ResApp have entered into a loan agreement pursuant to which Pfizer has agreed to provide $680,000 to ResApp to assist ResApp to fund its short-term working capital needs during the Scheme period (**Bridging Loan**). On 24 August 2022, the Company received the $680,000 loan proceeds from Pfizer. The key terms of the Bridging Loan are as follows:

    - principal amount of A$680,000;
    - interest rate of 6% per annum;
    - a term of 6 months, unless repaid early (at ResApp's election);
    - repayable on 5 business days' notice on the occurrence of certain events of default customary for a loan of this nature including a breach of obligations, representation or warranty, or the occurrence of an insolvency event; and
    - in the event ResApp fails to repay the loan, ResApp is required to grant Pfizer a nonexclusive license over clinical trial data generated under the Research, Development and Licence Agreement to the extent not prohibited by applicable signed informed consent and authorisation forms, applicable laws and ethics and/or institutional review board approvals.

  Further information in respect of the Bridging Loan and the circumstances surrounding ResApp's entry into the Bridging Loan including ResApp's financial position are described in the second supplementary scheme booklet dated 25 August 2022 (**Second Supplementary Scheme Booklet**).

Directors' Report

- On 25 August 2022, ResApp announced that the Supreme Court of New South Wales approved dispatch of the Second Supplementary Scheme Booklet providing information about the adjourned Scheme Meeting to shareholders. ResApp advised shareholders that the Scheme Meeting will now take place at 2:00pm on Wednesday, 7 September 2022 at the offices of DLA Piper Australia, Level 22 No 1 Martin Place, Sydney and virtually via an online platform. For further information in respect of the scheme meeting see the Second Supplementary Scheme Booklet.

Other Matters

On 5 July 2022, ResApp announced that its patent, "Methods and apparatus for cough detection in background noise environments" has been granted in Australia (patent number 2018214442) and Japan (patent number JP,7092777,B). The patent covers the use of machine learning audio processing techniques for detecting cough sounds in environments with significant background noise. The technology covered by the patent is used in ResApp's smartphone-based respiratory diagnostic test ResAppDx and its cough counting software ResAppCC.

On 6 July 2022, ResApp announced that SleepCheckRx has received 510(k) clearance as a prescription-only software-as-a-medical device from the US Food and Drug Administration (FDA). Gaining FDA clearance enables ResApp to commercially market the test in the United States.

On 7 July 2022, ResApp announced that it has agreed to a 12 month extension to its commercial licence agreement with Medgate AG ("Medgate") to use ResApp's smartphone-based acute respiratory diagnostic test, ResAppDx, on Medgate's telehealth platform.

On 22 July 2022, ResApp announced the results of a small clinical study which investigated the use of ResAppDx to identify acute respiratory disease in patients wearing surgical masks. The study showed substantial or near perfect agreement between patients wearing a mask and not wearing a mask for all studied endpoints.

No other material events have occurred subsequent to the reporting date.

Future Developments

The Group will continue the development and commercialisation of the ResApp technology for the purpose of providing health care solutions to assist doctors and consumers diagnose respiratory disease.

Environmental Issues

The Group's operations are not subject to significant environmental regulations under the law of the Commonwealth or of a State, or Territory.

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.

Indemnification of Officers and Auditors

The Group has not otherwise, during or since the financial year, except to the extent permitted by law, indemnified or agreed to indemnify an officer or auditor of the Company or of any related body corporate against a liability incurred as such an officer or auditor.

Directors' Report

Remuneration Report – Audited

Directors and Key Management Personnel

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)*
Mr Brian Leedman *(appointed 18 May 2021)*

Remuneration Policy

Non-Executive Directors Remuneration

The board policy is to remunerate non-executive directors at a level which provides the company with the ability to attract and retain directors with the experience and qualifications appropriate to the development strategy of the company's Intellectual Property. The maximum aggregate amount of fees that can be paid to non-executive directors is subject to approval by shareholders at the Annual General Meeting. This was set at $400,000 per annum by shareholders on 15 November 2018. Directors' fees are reviewed annually. From 1 June 2016, Chairman and non-executive director fees increased to $90,000 and $55,000 per annum respectively.

Non-executive directors' fees are not linked to the performance of the company. However, to align directors' interests with shareholder interests, the directors are encouraged to hold shares in the company.

Executive Remuneration

The board policy is to remunerate executive directors at a level that provides the company with the ability to attract and retain executives with the experience and qualifications appropriate to the development strategy of the company's Intellectual Property. During the financial year, the Group did not employ the use of remuneration consultants.

The following table discloses the contractual arrangements with the Group's executive Key Management Personnel.

CEO and Managing Director – Dr Tony Keating	
Fixed remuneration	$280,000 pa (inclusive of super)
Term	No fixed term. Contract continues until terminated in accordance with the terms of the Contract.
Termination notice by the individual/company	6 months
Other entitlements	Annual leave and long-service leave. Refer to "Options and rights granted as remuneration" section of remuneration report for other entitlements.
Executive Director, Corporate Affairs – Mr Brian Leedman	
Fixed remuneration	$187,000 pa (inclusive of super)
Term	2 years commencing on 18 May 2021
Termination notice by the individual/company	6 months
Other entitlements	Annual leave and long-service leave.

Directors' Report

Relationship Between the Remuneration Policy and Company Performance

Aside from the matters described above, no Director held or holds any contract for performance-based remuneration with the Company.

Remuneration Expense Details

The directors received the following amounts as compensation for their services as directors and executives of the Group during the year:

	Short-term employee benefits			Post employment benefits	Share-based payments		
2022	**Salary and fees $**	**Bonus $**	**Other $**	**Super-annuation and annual leave $**	**Options and rights $**	**Total $**	**Perfor-mance related %**
Non-Executive Directors:							
Dr Roger Aston[1]	81,818	-	-	8,182	-	90,000	0%
Mr Chris Ntoumenopoulos[2]	55,000	-	-	-	-	55,000	0%
Dr Michael Stein[3]	55,000	-	-	-	-	55,000	0%
Executive Directors:							
Dr Tony Keating[4]	255,708	-	-	38,136	24,926	318,770	8%
Mr Brian Leedman[5]	170,000	-	-	30,072	-	200,072	0%
Total	**617,526**	**-**	**-**	**76,390**	**24,926**	**718,842**	

[1] Dr Aston's director fees were paid to himself.
[2] Mr Ntoumenopoulos's director fees were paid to Twenty1 Corporate Pty Ltd.
[3] Dr Stein's director fees were paid to himself.
[4] Dr Keating's director fees were paid to himself.
[5] Mr Leedman's director fees were paid to himself.

	Short-term employee benefits			Post employment benefits	Share-based payments		
2021	**Salary and fees $**	**Bonus $**	**Other $**	**Super-annuation and annual leave $**	**Options and rights $**	**Total $**	**Perfor-mance related %**
Non-Executive Directors:							
Dr Roger Aston[1]	82,192	-	-	7,808	-	90,000	0%
Mr Chris Ntoumenopoulos[2]	55,000	-	-	-	-	55,000	0%
Dr Michael Stein[3]	54,375	-	-	-	31,456	85,831	0%
Executive Directors:							
Dr Tony Keating[4]	255,708	-	-	37,743	65,025	358,476	18%
Mr Brian Leedman[5]	15,764	-	-	2,710	-	18,474	0%
Total	**463,039**	**-**	**-**	**48,261**	**96,481**	**607,781**	

[1] Dr Aston's director fees were paid to himself.
[2] Mr Ntoumenopoulos's director fees were paid to Twenty1 Corporate Pty Ltd.
[3] Dr Stein's director fees were paid to himself.
[4] Dr Keating's director fees were paid to himself.
[5] Mr Leedman's director fees were paid to himself.

Directors' Report

Securities Received That are Not Performance-Related

Aside from the matters described above, no members of key management personnel are entitled to receive securities that are not performance-based as part of their remuneration package.

Options and Rights Granted as Remuneration

On 19 June 2019, the Company announced 975,000 Employee Incentive Options under the Company's employee share and option plan, to be issued to Dr Keating, subject to Shareholder Approval. The options are exercisable at $0.21 and expire five years from the date of issue. The options vest on the satisfaction of the following specific performance milestones:

(i) CE Mark approval – 325,000 Options
(ii) FDA clearance – 325,000 Options
(iii) Commercial release of hardware product – 325,000 Options

Dr Keating is required to be employed by the Company in order to exercise the Incentive Options.

As at the date of this report, 975,000 Options have vested as the performance milestones of CE Mark approval, FDA clearance and commercial release of hardware product have been achieved.

On 28 November 2019, at the Annual General Meeting, the Shareholders approved the issuance of Managing Director Incentive Options to Dr Keating. In addition, the Shareholders approved the issuance of Directors Incentive Options are as follows:

a. Dr Aston – 500,000 Options
b. Mr Ntoumenopoulos – 500,000 Options
c. Mr Buzza – 500,000 Options
d. Dr Keating – 500,000 Options

The Directors Incentive Options are exercisable at $0.43 and expire three years from the date of issue.

On 6 April 2020, the Company announced 500,000 Employee Incentive Options under the Company's employee share and option plan, to be issued to Dr Stein, subject to Shareholder Approval. The options are exercisable at $0.16 (being a 20% premium to the volume weighted average price of the Company's shares calculated over the 20 trading days immediately prior to appointment) and expire three years from the date of issue. On 26 November 2020, at the Annual General Meeting, the Shareholders approved the issuance Employee Incentive Options to Dr Stein.

Except above, no other options or rights were granted as remuneration to members of key management personnel as part of their remuneration package during the year ended 30 June 2022.

Directors' Report

Key Management Personnel Shareholdings

The number of ordinary shares in ResApp Health Limited held by each key management personnel of the Group during the financial year is as follows:

	Balance at 1 July 2021	Granted as remuneration during the year	Issued on exercise of options during the year	Net other changes during the year	Balance at 30 June 2022
Directors					
Dr Roger Aston	8,727,500	-	-	-	8,727,500
Dr Tony Keating	10,225,000	-	-	-	10,225,000
Mr Chris Ntoumenopoulos	3,609,375	-	-	-	3,609,375
Mr Brian Leedman	5,902,647	-	-	-	5,902,647
Total	**28,464,522**	**-**	**-**	**-**	**28,464,522**

The number of options held by the key management personnel of the Group as at 30 June 2022 are as follows:

	Balance at 1 July 2021	Granted	Exercised/ Forfeited/ Lapsed	Balance at 30 June 2022
Directors				
Dr Roger Aston	500,000	-	-	500,000
Dr Tony Keating	1,475,000	-	-	1,475,000
Mr Chris Ntoumenopoulos	500,000	-	-	500,000
Dr Michael Stein	500,000	-	-	500,000
Total	**2,975,000**	**-**	**-**	**2,975,000**

There have been no other transactions involving equity instruments apart from those describe in the table above relating to options, rights and shareholdings.

Other Transactions with Key Management Personnel and/for Their Related Parties

There were no other transactions conducted between the Group and Key Management Personnel or their related parties, apart from those disclosed above and those disclosed in Note 24, that were conducted other than in accordance with normal employee, customer or supplier relationships on terms no more favourable than those reasonably expected under arm's length dealings with unrelated persons.

End of Audited Remuneration Report

Voting and Comments Made at the Company's 2021 Annual General Meeting

The Company received 81.77% of votes, of those shareholders who exercised their right to vote, in favour of the remuneration report for the 2021 financial year. The Company did not receive any specific feedback at the AGM or throughout the year on its remuneration practices.

Proceedings on Behalf of the Company

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings.

Directors' Report

The Company was not a party to any such proceedings during the year.

Corporate Governance

In recognising the need for the highest standards of corporate behaviour and accountability, the Directors support and have adhered to principles of sound corporate governance. The Company continued to follow best practice recommendations as set out by 4th edition of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations. Where the Company has not followed best practice for any recommendation, explanation is given in the Corporate Governance Statement which is available on the Company's website at www.resapphealth.com.au/investor-relations/corporate-governance/.

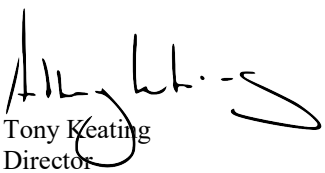
Non-Audit Services

During the year, no fees were paid to Ernst & Young for the provision of non-audit services.

Auditor's Independence Declaration

The auditor's independence declaration is included on page 17 of the annual report.

Signed in accordance with a resolution of the directors



Tony Keating
Director

Brisbane
30th day of August 2022

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Brisbane QLD 4000 Australia
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Building a better working world

Auditor's Independence Declaration to the Directors of ResApp Health Limited

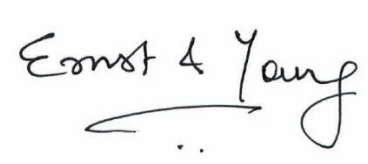
As lead auditor for the audit of the financial report of ResApp Health Limited, for the financial year ended 30 June 2022, I declare to the best of my knowledge and belief, there have been:

a. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

b. No contraventions of any applicable code of professional conduct in relation to the audit; and

c. No non-audit services provided that contravene any applicable code of professional conduct in relation to the audit.

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



Ernst & Young

Madhu Nair
Partner
30 August 2022

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the Financial Year Ended 30 June 2022

		Consolidated	
		2022	2021
	Note	**$**	$
Revenue from contracts with customers	4	**2,512,411**	69,731
Interest income		**2,437**	16,727
Other income	5	**1,296,032**	1,182,638
Selling, general and administrative costs	6	**(4,923,046)**	(3,748,611)
Research and development costs	7	**(5,833,344)**	(4,294,980)
Loss before income tax		**(6,945,510)**	(6,774,495)
Income tax expense	8	**(150,000)**	–
Loss for the year		**(7,095,510)**	(6,774,495)
Other comprehensive income (loss) for the year			
Foreign currency translation adjustment		**(517)**	1,144
Total comprehensive income (loss) for the year		**(7,096,027)**	(6,773,351)
Loss per share (basic and diluted) (cents)	21	**(0.83)**	(0.87)

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

Consolidated Statement of Financial Position

As at 30 June 2022

	Note	Consolidated 2022 $	2021 $
Current assets			
Cash and cash equivalents	9	**2,290,552**	6,587,434
Trade and other receivables	10	**1,618,685**	806,227
Other financial asset	18	**110,350**	–
Prepayments		**88,126**	88,534
Total current assets		**4,107,713**	7,482,195
Non-current assets			
Right-of-use asset and equipment	13	**103,612**	233,422
Intangibles assets	14	**1,604,891**	1,618,971
Other financial asset	18	**–**	103,673
Total non-current assets		**1,708,503**	1,956,066
Total assets		**5,816,216**	9,438,261
Current liabilities			
Trade and other payables	15	**2,226,310**	1,234,936
Employee benefits provision	16	**306,810**	267,077
Contract liabilities	17	**2,208,890**	60,000
Lease liability	18	**38,921**	152,077
Total current liabilities		**4,780,931**	1,714,090
Noncurrent liabilities			
Employee benefits provision	16	**122,057**	81,251
Contract liabilities	17	**223,667**	–
Lease liability	18	**–**	38,921
Total noncurrent liabilities		**345,724**	120,172
Total liabilities		**5,126,655**	1,834,262
Net assets		**689,561**	7,603,999
Equity			
Issued capital	19	**42,975,923**	42,935,923
Equity-settled benefits reserve	20	**1,127,537**	1,423,523
Foreign currency translation reserve		**(1,666)**	(1,149)
Accumulated losses		**(43,412,233)**	(36,754,298)
Total equity		**689,561**	7,603,999

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

Consolidated Statement of Changes in Equity
For the Year Ended 30 June 2022

	Fully paid ordinary shares	Share-based payment reserve	Foreign currency translation reserve	Accumulated losses	Total
	$	$	$	$	$
Balance at 1 July 2020	**35,944,770**	**1,772,183**	**(2,293)**	**(30,715,758)**	**6,998,902**
Loss for the year	–	–	–	(6,774,495)	(6,774,495)
Foreign currency translation adjustment	–	–	1,144	–	1,144
Total comprehensive income (loss)	–	–	**1,144**	**(6,774,495)**	**(6,773,351)**
Transactions with owners, in their capacity as owners					
Issue of shares	7,525,000	–	–	–	7,525,000
Costs directly attributable to issue of share capital	(533,847)	–	–	–	(533,847)
Share-based payments	–	387,295	–	–	387,295
Expiration/forfeiture/exercise of options	–	(735,955)	–	735,955	–
Balance at 30 June 2021	**42,935,923**	**1,423,523**	**(1,149)**	**(36,754,298)**	**7,603,999**
Balance at 1 July 2021	**42,935,923**	**1,423,523**	**(1,149)**	**(36,754,298)**	**7,603,999**
Loss for the year	–	–	–	(7,095,510)	(7,095,510)
Foreign currency translation adjustment	–	–	(517)	–	(517)
Total comprehensive income (loss)	–	–	**(517)**	**(7,095,510)**	**(7,096,027)**
Transactions with owners, in their capacity as owners					
Issue of shares	40,000	–	–	–	40,000
Share-based payments	–	141,589	–	–	141,589
Expiration/forfeiture/exercise of options	–	(437,575)	–	437,575	–
Balance at 30 June 2022	**42,975,923**	**1,127,537**	**(1,666)**	**(43,412,233)**	**689,561**

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

Consolidated Statement of Cash Flows
For the Year Ended 30 June 2022

	Note	Consolidated 2022 $	2021 $
Cash flows from operating activities			
Receipts from customers		**4,516,564**	127,199
Cash payments to suppliers and employees		**(9,279,658)**	(7,012,856)
R&D tax incentive and other grants received		**893,675**	1,204,638
Interest received		**4,632**	16,807
Income taxes paid		**(150,000)**	–
Net cash flows used in operating activities	22	**(4,014,787)**	(5,664,212)
Cash flows from investing activities			
Acquisition of equipment		**(29,317)**	(46,130)
Additions to intangible assets		**(131,822)**	–
Investment in other financial asset		**(6,677)**	–
Net cash flows used in investing activities		**(167,816)**	(46,130)
Cash flows from financing activities			
Proceeds from exercise of share options		**40,000**	1,525,000
Payment of lease liability		**(154,279)**	(148,702)
Proceeds from issues of share capital		**–**	5,500,000
Costs of capital raising		**–**	(353,775)
Net cash flows provided by financing activities		**(114,279)**	6,522,523
Net increase in cash and cash equivalents		**(4,296,882)**	812,181
Cash and cash equivalents at beginning of year		**6,587,434**	5,775,253
Cash and cash equivalents at end of year	9	**2,290,552**	6,587,434

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

Notes to the Consolidated Financial Statements
For the Year Ended 30 June 2022

Note 1 Reporting Entity

This annual financial report includes the financial statements and notes of ResApp Health Limited ("the Company") and its controlled entities ("the Group"). 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.

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 year ended 30 June 2022, the Group incurred a net loss after tax of $7,095,510 (2021: $6,774,495) and a net cash outflow from operating activities amounting to $4,014,787 (2021: $5,664,212). At 30 June 2022, the Group had cash and cash equivalents of $2,290,552, net assets of $689,561 and net working capital deficiency of $673,218.

In August 2019, ResApp received CE Mark certification for ResAppDx, the world's first smartphone-based diagnostic test for respiratory disease in adults and children. In October 2019, ResApp announced that ResAppDx 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 it had received approval for adult use. On 6 July 2022, ResApp announced that SleepCheckRx has received 510(k) clearance as a prescription-only software-as-a-medical device from the US Food and Drug Administration (FDA). Gaining FDA clearance enables ResApp to commercially market the test in the United States. These regulatory approvals allow the company to sell and market its products in Australia and overseas. The Group is still at the early stage of commercialisation of its products. As at the date of this report, the Group has secured partnerships with high-profile customers in the telehealth and pharmaceutical industries as well as a sales and marketing agreement with distributors in a low-resource setting. These partnerships form a key foundational base from which the Group will begin to grow its business.

Whilst the Group continues to generate operating losses and net cash outflows from operations, the Group's viability is dependent on cash inflows from the commercialisation of its products and external funding arrangements including by way of capital raising.

The Directors believe that the Group has been successful in building a long-term business founded on strong technology.

The Directors believe that if the Group is unable to manage cash inflows and outflows at amounts as necessary to meet future operating plans, there would be a material uncertainty whether the Group would be able to continue as a going concern. However, the Directors are confident that they will be able to generate cash inflows (primarily by way of external funding arrangements including by way of a capital raising) that will provide sufficient funding to enable the group to continue to be able to pay its liabilities as and when those liabilities fall due for a period in excess of 12 months from the date the financial report has been signed.

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.

Notes to the Consolidated Financial Statements (continued)
For the Year Ended 30 June 2022

Note 3 Significant Accounting Policies

New, revised or amended standards and interpretations adopted by the Group

The Group applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 July 2021 (unless otherwise stated). The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

- Interest Rate Benchmark Reform – Phase 2: *Amendments to AASB 9, AASB 139, AASB 7, AASB 4 and AASB 16*
- Covid-19-Related Rent Concessions beyond 30 June 2021 *Amendments to AASB 16*

These amendments had no impact on the consolidated financial statements of the Group. The Group intends to use the practical expedients in future periods if they become applicable.

Basis of Preparation

These financial statements include the financial statements of the ResApp Health Limited (the "Company"), and its controlled entities (the "Group"). These general-purpose financial statements have been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001*. Australian Accounting Standards are equivalent to International Financial Reporting Standards ("IFRS"). Compliance with Australian Accounting Standards ensures that these financial statements comply with International Financial Reporting Standards. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

Except for the cash flow information, the financial statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

All amounts presented have been rounded to the nearest whole dollar.

Basis of Consolidation

The Group's financial statements consolidate those of the parent company and all of its subsidiaries as of 30 June 2022. All subsidiaries have a reporting date of 30 June.

All transactions and balances between Group companies are eliminated on consolidation, including unrealised gains and losses on transactions between Group companies. Where unrealised losses on intra-group asset sales are reversed on consolidation, the underlying asset is also tested for impairment from a Group perspective. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

Profit or loss and other comprehensive income of subsidiaries acquired or disposed of during the year are recognised from the effective date of acquisition, or up to the effective date of disposal, as applicable. The Group attributes total comprehensive income or loss of subsidiaries between the owners of the parent and the non-controlling interests based on their respective ownership interests.

Notes to the Consolidated Financial Statements (continued)
For the Year Ended 30 June 2022

The following significant accounting policies have been adopted in the preparation and presentation of the financial report:

Australian Tax Consolidation Legislation

ResApp Health Limited and its wholly owned Australian controlled entity implemented tax consolidation legislation. The parent entity and the controlled entity continue to account for their own current and deferred tax amounts. The Group has applied the Group allocation approach in determining the appropriate amount of current and deferred taxes to allocate to members of the tax consolidated group. In addition to its own current and deferred tax amounts, the Company also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from controlled entities in the tax consolidated group. Assets or liabilities arising under tax funding agreements with the tax consolidated entities are recognised as amounts receivable from or payable to other entities in the Group. Any difference between the amounts assumed and amounts receivable or payable under the tax funding agreement are recognised as a contribution to (or distribution from) wholly owned tax consolidated entities.

Functional and Presentation Currency

The consolidated financial statements are presented in Australian dollars (AUD), which is also the functional currency of the parent company.

Foreign Currency Transactions and Balances

Foreign currency transactions are translated into the functional currency of the respective Group entity, using the exchange rates prevailing at the dates of the transactions (spot exchange rate). Foreign exchange gains and losses resulting from the settlement of such transactions and from the remeasurement of monetary items denominated in foreign currency at year-end exchange rates are recognised in profit or loss.

Non-monetary items are not retranslated at year-end and are measured at historical cost (translated using the exchange rates at the transaction date), except for non-monetary items measured at fair value which are translated using the exchange rates at the date when fair value was determined.

Foreign Operations

In the Group's financial statements, all assets, liabilities and transactions of Group entities with a functional currency other than the AUD are translated into AUD upon consolidation. The functional currencies of entities within the Group have remained unchanged during the reporting period.

On consolidation, assets and liabilities have been translated into AUD at the closing rate at the reporting date. Income and expenses have been translated into AUD at the average rate over the reporting period. Exchange differences are charged or credited to other comprehensive income and recognised in the foreign currency translation reserve in equity. On disposal of a foreign operation, the related cumulative translation differences recognised in equity are reclassified to profit or loss and are recognised as part of the gain or loss on disposal.

Notes to the Consolidated Financial Statements (continued)
For the Year Ended 30 June 2022

Revenue From Customer Contracts

The Group is in the business of developing and selling digital health solutions for respiratory disease. Revenue from contracts with customers is recognised when control of the goods or services is transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer. The Group reports revenue in two main categories: (1) Product revenue and (2) Service revenue. The accounting policies for each of these categories are set out below:

Product revenue
The Group's product revenue is primarily comprised of usage-based revenue and App sales. Usage-based fees are revenue earned under software licensing arrangements with customers based on the use of the software products. Revenue from the sale of App via Apple Store and Google Play is recognised at the date of product delivery given that all of the obligations have been met at that time.

Service revenue
Service revenue consists of software development and research and development (R&D) services. Revenue from these contracts is recognised over the term of the contract. Included within this category are the license fees associated to the service revenue, they are not distinct, therefore, considered as one performance obligation. The Group considers that software development license contracts and R&D license contracts represent a right to access the Group's intellectual property and as such the performance obligation is fulfilled over the contract term. Unsatisfied performance obligations in respect of the R&D service and software development fees received or receivable is recognised as contract liabilities in the consolidated statement of financial position. Refer to Note 17 for details of contract liabilities.

All revenue is stated net of the amount of goods and services tax (GST).

The Group also has other income comprised of government grants related to the research and development tax incentives and interest income.

Interest income
Interest income is recognised when it becomes receivable on a proportional basis taking in to account the interest rates applicable to the financial assets.

Government grants
Grants from government, including Australian Research and Development Tax Incentive (RDTI), are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions. Other government grants and subsidies such as 'Cash Flow boost' and JobKeeper payment scheme are recognised as other income when all the attached conditions have been satisfied or when there is reasonable assurance that they will satisfy all conditions.

Where a grant is received relating to research and development costs that have been expensed, the grant is recognised as other income when the grant becomes receivable.

When the grant relates to an asset, the cost of the asset is shown net of the grant or receivable.

Trade receivables
A receivable is recognised if an amount of consideration that is unconditional is due from the customer (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in section "*Financial instruments – initial recognition and subsequent measurement*."

Notes to the Consolidated Financial Statements (continued)
For the Year Ended 30 June 2022

Contract liabilities
A contract liability is recognised if a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

Cash and Cash Equivalents

Cash comprises cash on hand and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value and are held to meet the short-term cash commitments.

Financial Instruments

Recognition, initial measurement and derecognition
Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument, and are measured initially at fair value adjusted by transactions costs, except for those carried at fair value through profit or loss, which are measured initially at fair value. Subsequent measurement of financial assets and financial liabilities are described below.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Classification and subsequent measurement of financial assets
Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with AASB 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

For the purpose of subsequent measurement, financial assets other than those designated and effective as hedging instruments are classified into the following categories upon initial recognition:

- amortised cost
- fair value through profit or loss (FVPL)

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses.

Classifications are determined by both:

- The entity business model for managing the financial asset
- The contractual cash flow characteristics of the financial assets

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables, which is presented within other expenses.

Subsequent measurement financial assets
Financial assets at amortised cost
Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVPL):

Notes to the Consolidated Financial Statements (continued)
For the Year Ended 30 June 2022

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Group's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments.

Financial assets at fair value through profit or loss (FVPL)
Financial assets that are held within a different business model other than 'hold to collect' or 'hold to collect and sell' are categorised at fair value through profit and loss. Further, irrespective of business model financial assets whose contractual cash flows are not solely payments of principal and interest are accounted for at FVPL. All derivative financial instruments fall into this category, except for those designated and effective as hedging instruments, for which the hedge accounting requirements apply (see below).

Impairment of financial assets
AASB 9's impairment requirements use forward looking information to recognize expected credit losses – the 'expected credit losses (ECL) model'. Instruments within scope include loans and other debt-type financial assets measured at amortised cost and FVOCI, trade receivables, contract assets recognised and measured under AASB 15 and loan commitments and some financial guarantee contracts (for the issuer) that are not measured at fair value through profit or loss.

The Group considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

In applying this forward-looking approach, a distinction is made between:

- financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ('Stage 1') and
- financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ('Stage 2').

'Stage 3' would cover financial assets that have objective evidence of impairment at the reporting date. '12-month expected credit losses' are recognised for the first category while 'lifetime expected credit losses' are recognised for the second category.

Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

Trade and other receivables and contract assets
The Group makes use of a simplified approach in accounting for trade and other receivables as well as contract assets and records the loss allowance at the amount equal to the expected lifetime credit losses. In using this practical expedient, the Group uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix.

The Group assess impairment of trade receivables on a collective basis as they possess credit risk characteristics based on the days past due. The Group has $370,081 and $2,166 trade receivables as at 30 June 2022 and 2021, respectively.

Notes to the Consolidated Financial Statements (continued)
For the Year Ended 30 June 2022

Classification and measurement of financial liabilities
The Group's financial liabilities include trade and other payables.

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Group designated a financial liability at fair value through profit or loss.

Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for derivatives and financial liabilities designated at FVPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss (other than derivative financial instruments that are designated and effective as hedging instruments).

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income.

Equipment

Computer equipment and office furniture
Computer equipment and office furniture are initially recognised at acquisition cost, including any costs directly attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the manner intended by the Group's management. Computer equipment and office furniture are subsequently measured using the cost model, cost less subsequent depreciation and impairment losses.

Depreciation is recognised on a straight-line basis to write down the cost less estimated residual value of computer equipment and office furniture, with useful life of 2 to 3 years.

Gains or losses arising on the disposal of property and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised in profit or loss within other income or other expenses.

Right-of-Use Asset

The Group as a lessee
At lease commencement date, the Group considers whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period in exchange for consideration'. To apply this definition the Group assesses whether the contract meets three key evaluations which are whether:

- The contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Group.
- The Group has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract.
- The Group has the right to direct the use of the identified asset throughout the period of use. The Group assess whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

Measurement and recognition of leases as a lessee
At lease commencement date, the Group recognises a right-of-use asset and a lease liability on the statement of financial position. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Group, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).

Notes to the Consolidated Financial Statements (continued)
For the Year Ended 30 June 2022

The Group depreciates the right-of-use asset on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Group also assesses the right-of-use asset for impairment when such indicators exist.

At the commencement date, the Group measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Group's incremental borrowing rate.

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed), variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments. When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

The Group has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss on a straight-line basis over the lease term.

Intangible Assets

Intangible assets acquired separately are capitalised at cost, and if acquired as a result of a business combination, capitalised at fair value as at the date of acquisition. Following initial recognition, the cost model is applied to all classes of intangible assets. The useful lives of the intangible assets are assessed to be either finite or indefinite. Where amortisation is charged on intangible assets with finite lives, this expense is taken to the statement of profit or loss and other comprehensive income through the 'depreciation & amortisation expense' line item. Intangible assets with finite lives are tested for impairment where an indicator of impairment exists. Useful lives are examined on an annual basis and adjustments, where applicable, are made on a prospective basis.

Licensed Intellectual Property (IP) are recognised at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

The Group has ascribed an estimated useful life of its Licenced Intellectual Property of 18 years from the date of acquisition, which is based on the expected usage and benefits derived over the patents' useful lives.

Gains or losses arising from the de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss and other comprehensive income when the intangible asset is derecognised.

Research and Development costs

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the Group can demonstrate all of the following:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale
- Its intention to complete and its ability and intention to use or sell the asset
- How the asset will generate future economic benefits
- The availability of resources to complete the asset
- The ability to measure reliably the expenditure during development

Notes to the Consolidated Financial Statements (continued)
For the Year Ended 30 June 2022

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete, and the asset is available for use. It is amortised over the period of expected future benefit. Amortisation is recorded in selling, general and administrative costs. During the period of development, the asset is tested for impairment annually.

Research and development costs include payroll, employee benefits and other employee related costs associated with product development. Technological feasibility for software as medical device products is reached shortly before products are available for commercial sale to customers. Costs incurred after technological feasibility is established are not material, and accordingly, all research and development costs are expensed when incurred.

Impairment of Non-financial Assets

At each reporting date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash generating unit) is reduced to its recoverable amount.

An impairment loss is recognised in profit or loss immediately, unless the relevant asset is carried at fair value, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised in profit or loss immediately, unless the relevant asset is carried at fair value, in which case the reversal of the impairment loss is treated as a revaluation increase.

Income Tax

The income tax expense for the period is the tax payable on the current period's taxable income based on the notional income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax base of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

Deferred tax assets are only recognised for deductible temporary differences, between carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases, at the tax rates expected to apply when the assets are recovered or liabilities settled, based on those tax rates which are enacted or substantially enacted for each jurisdiction. Exceptions are made for certain temporary differences arising on initial recognition of an asset or liability if they arose in a transaction other than a business combination that at the time of the transaction did not affect either accounting profit or taxable profit.

Notes to the Consolidated Financial Statements (continued)
For the Year Ended 30 June 2022

Deferred tax assets are only recognised for deductible temporary differences and unused tax losses if it is probable that future taxable amounts will be available to utilise those temporary differences and losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

Deferred tax assets and liabilities are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries, associates and interests in joint ventures where the parent entity is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future. Current and deferred tax balances relating to amounts recognised directly in other comprehensive income or equity are also recognised directly in other comprehensive income or equity.

Provision

A provision is recognised in the statement of financial position when the Company has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation, and the amount has been reliably estimated.

Employee Benefits

Short-term employee benefits
Short-term employee benefits are benefits, other than termination benefits, that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. Examples of such benefits include wages and salaries and non-monetary benefits. Short-term employee benefits and on-costs are measured at the undiscounted amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits
The Group's liabilities for long service leave are included in non-current employee benefits provisions as they are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are measured at the present value of the expected future payments to be made to employees. The expected future payments incorporate anticipated future wage and salary levels, experience of employee departures and periods of service, and are discounted at rates determined by reference to market yields at the end of the reporting period on high-quality corporate bonds that have maturity dates that approximate the timing of the estimated future cash outflows. Any re-measurements arising from experience adjustments and changes in assumptions are recognised in profit or loss in the periods in which the changes occur.

The Group presents employee benefit obligations as current liabilities in the statement of financial position if the Group does not have an unconditional right to defer settlement for at least 12 months after the reporting period, irrespective of when the actual settlement is expected to take place.

Share-Based Payments

The Group operates equity-settled share-based remuneration plans for its employees.

All goods and services received in exchange for the grant of any share-based payment are measured at their fair values. Where employees are rewarded using share-based payments, the fair values of employees' services are determined indirectly by reference to the fair value of the equity instruments granted. This fair value is appraised at the grant date and excludes the impact of non-market vesting conditions (for example profitability and sales growth targets and performance conditions).

Notes to the Consolidated Financial Statements (continued)
For the Year Ended 30 June 2022

All share-based remuneration is ultimately recognised as an expense in profit or loss with a corresponding credit to share option reserve. If vesting periods or other vesting conditions apply, the expense is allocated over the vesting period, based on the best available estimate of the number of share options expected to vest.

Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. Estimates are subsequently revised if there is any indication that the number of share options expected to vest differs from previous estimates. Any cumulative adjustment prior to vesting is recognised in the current period. No adjustment is made to any expense recognised in prior periods if share options ultimately exercised are different to that estimated on vesting.

Upon exercise of share options, the proceeds received net of any directly attributable transaction costs are allocated to share capital up to the nominal (or par) value of the shares issued with any excess being recorded as share premium.

Equity-settled share-based payment transactions with non-employees distinguish between transactions in which the goods or services can be measured reliably and those in which they cannot be measured reliably. If the goods or services acquired from non-employees can be measured reliably, then the goods or services are measured directly at their fair value, otherwise, with reference to the fair value of the equity instruments granted. The goods or services are measured when they are received.

Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST components of investing and financing activities, which are disclosed as operating cash flows.

Trade and Other Payables

Trade and other payables represent the liabilities for goods and services received by the entity that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

Critical Accounting Judgements and Key Sources of Estimation Uncertainty

The directors make a number of estimates and assumptions in preparing general purpose financial statements. The resulting accounting estimates, will, by definition, seldom equal the related actual results. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods if relevant.

The following key judgements and estimates were made in preparing these financial statements:

Notes to the Consolidated Financial Statements (continued)
For the Year Ended 30 June 2022

Impairment of intangibles

The Group assesses impairment at the end of each reporting period by evaluating conditions and events specific to the Group that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using calculations which incorporate various key assumptions. All intangible assets are accounted for using the cost model whereby costs are amortised on a straight-line basis over their estimated useful lives, as these assets are considered finite, if indicators the Group considers indicators are present. The Group has ascribed an estimated useful life of the intangibles of 18 years from the date of acquisition, which is based on the expected usage and benefits derived over the patents' useful lives. Residual values and useful lives are reviewed at each reporting date. In addition, they are subject to an annual impairment indicators review.

Share based payment expenses

The Group measures the cost of equity-settled transactions with employees 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 impact profit or loss and equity. Share-based payments are disclosed in note 20.

R&D tax incentive

The R&D Tax Incentive is recognised when a reliable estimate of the amounts receivable can be made and management has assessed that there is reasonable assurance that the grant will be received and has complied with all the attached conditions. For the year ended 30 June 2022, the Group has estimated the rebate which will be received within the next twelve months from reporting date and has accrued that amount as income in the statement of profit or loss and other comprehensive income.

Note 4 Revenue From Contracts With Customers

	Consolidated	
	2022	2021
	$	$
Type of goods or services		
Product revenue	**227,805**	69,731
Service revenue	**2,284,606**	–
Total revenue from contracts with customers	**2,512,411**	69,731
Timing of revenue recognition		
Goods and services transferred at a point in time	**167,805**	69,731
Goods and services transferred over time	**2,344,606**	–
Total revenue from contracts with customers	**2,512,411**	69,731
Contract balances		
Trade receivables (Note 10)	**370,081**	2,166
Contract liabilities (Note 17)	**2,432,557**	60,000

Notes to the Consolidated Financial Statements (continued)
For the Year Ended 30 June 2022

	Consolidated	
	2022	2021
	$	$
Set out below is the amount of revenue recognised from:		
Amounts included in contract liabilities at the beginning of the year	**60,000**	–

The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 30 June are, as follows:

Within one year	**2,208,890**	60,000
More than one year	**223,667**	–

Note 5 Other Income

	Consolidated	
	2022	2021
	$	$
R&D tax incentive	**1,221,182**	685,744
Other government grants	**74,850**	496,894
	1,296,032	1,182,638

In September 2021, the Company received approval from AusIndustry for its application for an Advanced and Overseas Finding in respect to expenditure associated with its COVID-19 clinical studies. The finding covers financial years 2021, 2022 and 2023 and means that eligible overseas research and development expenditure in the Company's COVID-19 clinical studies, in addition to Australian expenditure, will be subject to a 43.5% cash rebate under the Australian Federal Government's R&D Tax Incentive Program. During the year ended 30 June 2022, the Company recognised an additional R&D tax incentive of $110,825 for overseas R&D expenditures incurred in FY2021. In December 2021, the Company received $818,825 from its Research and Development (R&D) tax incentive claim for the financial year ended 30 June 2021. This is comprised of the R&D tax receivable recognised as of 30 June 2021 of $708,000 (see Note 10) and the additional R&D tax incentive recognised in the statement of profit or loss during the year of $110,825.

Note 6 Selling, General and Administrative Costs

	Consolidated	
	2022	2021
	$	$
Employee costs and directors' fees	**2,118,622**	1,485,993
Professional fees (including legal fees)	**1,236,179**	318,162
Amortisation and depreciation	**159,127**	153,500
Share based payment expense	**106,710**	113,548
Consulting fees	**–**	105,356
Other administration expenses	**1,302,408**	1,572,052
	4,923,046	3,748,611

Notes to the Consolidated Financial Statements (continued)
For the Year Ended 30 June 2022

Note 7 Research and Development Costs

	Consolidated	
	2022	2021
	$	$
Employee costs	**2,372,265**	2,075,140
Share based payment expense	**34,879**	93,674
Expenditure settled through issuance of shares (see Note 19)	**–**	500,000
Other research and development costs	**3,426,200**	1,626,166
	5,833,344	4,294,980

Note 8 Incomes Taxes

The prima face income tax expense on pre-tax accounting loss from operations reconciles to the income tax expense in the financial statements as follows:

	Consolidated	
	2022	2021
	$	$
Loss from continuing operations before tax expense	**(6,945,510)**	(6,774,495)
Prima facie income tax benefit at 25% (2021: at 25%)	**(1,736,378)**	(1,761,369)
Adjustment for tax rate difference in foreign jurisdiction	**(105)**	(2,257)
Tax effect of:		
Non-deductible items		
Share based payments	**35,397**	53,878
Expenditure subject to R&D claim	**638,137**	423,172
Entertainment	**1,433**	1,597
Others	**21,036**	–
Non-assessable R&D refund	**(305,296)**	(178,293)
Prima facie tax adjusted for permanent differences	**(1,345,776)**	(1,463,272)
Unrecognised deferred tax assets	**1,345,776**	1,463,272
Unutilised foreign income tax offset not recoverable	**150,000**	–
Income tax expense	**150,000**	–
Unrecognised deferred tax balances		
The following deferred tax assets at 25% (2021: at 25%) have not been brought to account:		
Unused tax losses	**6,764,380**	6,155,417
Customer contract liabilities	**608,139**	15,000
Accrued expenses	**233,143**	150,488
Capital expenses deductible in accordance with S.40-880	**165,075**	128,260
Employee benefits provision	**107,217**	87,082
Intangible assets - amortisation differences	**36,722**	33,202
Other temporary differences	**1,131**	4,211
Total unrecognised deferred tax assets	**7,915,807**	6,573,660

Notes to the Consolidated Financial Statements (continued)
For the Year Ended 30 June 2022

The Company has unrecouped tax losses in Australia which have not been brought to account. The ability to be able to recognise a deferred tax asset in respect of these tax losses will be dependent upon the probability that future taxable profit will be available against which the unused tax losses can be utilised and the conditions for deductibility imposed by Australian tax authorities will be complied with, including the Company being able to meet the continuity of ownership and/or continuity of business tests.

During the year, the Company incurred a tax expense of $150,000 from certain foreign income received. This gave rise to a foreign income tax offset (FITO). Under the Australian tax law, the FITO can only be applied to reduce any other income tax liability in the same year and cannot be carried forward to future periods. Accordingly, the Company recognised "unutilised foreign income tax offset not recoverable" amounting to $150,000 in the statement of profit or loss and other comprehensive income.

Note 9 Cash and Cash Equivalents

	Consolidated	
	2022	2021
	$	$
Cash at bank	**2,290,552**	687,434
Short-term deposits	**–**	5,900,000
	2,290,552	6,587,434

Note 10 Trade and Other Receivables

	Consolidated	
	2022	2021
	$	$
R&D tax rebate receivable	**1,110,358**	708,000
Trade receivables	**370,081**	2,166
GST receivable	**138,246**	93,866
Interest receivable	**–**	2,195
	1,618,685	806,227

Note 11 Financial Instruments

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

	Consolidated	
	2022	2021
	$	$
Financial assets		
Cash and cash equivalents	**2,290,552**	6,587,434
Trade and other receivables	**1,618,685**	806,227
Other financial asset	**110,350**	103,673
Total financial assets	**4,019,587**	7,497,334

Notes to the Consolidated Financial Statements (continued)
For the Year Ended 30 June 2022

	Consolidated	
	2022	2021
	$	$
Financial liabilities		
Trade and other payables	**2,226,310**	1,294,936
Lease liability	**38,921**	190,998
Total financial liabilities	**2,265,231**	1,485,934

(a) Financial risk management policies

The Group's principal financial instruments comprise cash and short-term deposits and trade and other payables as disclosed in the financial statements. The main purpose of these financial instruments is to manage the working capital needs of the Group's operations. It is the Group's policy that no trading in financial instruments shall be undertaken. The board reviews and agrees policies for managing this risk is summarised below.

i. Significant accounting policies

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instruments are disclosed in Note 3 to the financial statements.

ii. Credit risk management

The Company is not currently exposed to credit risk other than in the normal course of business. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position.

Credit risk related to balances with banks and other financial institutions is managed by the Board in accordance with approved board policy. Such policy requires that surplus funds are only invested with counterparties with a Standard & Poor's rating of at least AA-. The following table provides information regarding the credit risk relating to cash and money market securities based on Standard & Poor's counterparty credit ratings.

	Consolidated	
	2022	2021
	$	$
Cash and cash equivalents		
AA- rated	**2,290,552**	6,587,434
	2,290,552	6,587,434

iii. Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the board of directors, which has built an appropriate liquidity risk management framework for the management of the Company's short, medium and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

Notes to the Consolidated Financial Statements (continued)
For the Year Ended 30 June 2022

	Consolidated	
	2022	2021
	$	$
Financial liabilities due for payment		
Trade and other payables	**2,226,310**	1,294,936
Lease liability	**38,921**	190,998
Total expected outflows	**2,265,231**	1,485,934
Financial assets – cash flow realisable		
Cash and cash equivalents	**2,290,552**	6,587,434
Trade and other receivables	**1,618,685**	806,227
Other financial asset	**110,350**	103,673
Total anticipated inflows	**4,019,587**	7,497,334
Net inflow on financial instruments	**1,754,356**	6,011,400

iv. Interest rate risk

The financial instruments which primarily expose the Company to interest rate risk are cash and cash equivalents. The Company's exposure to interest rate risk for classes of financial assets and financial liabilities is set out below:

	Fixed Interest rate %	**Fixed interest rate within year $**	**Non-interest bearing $**	**Total $**
Consolidated				
30-Jun-22				
Financial assets				
Cash & cash equivalents	0.1%	2,290,552	–	2,290,552
Trade and other receivables	–	–	1,618,685	1,618,685
Other financial asset	0.1%	110,350	–	110,350
Total financial assets		**2,400,902**	**1,618,685**	**4,019,587**
Financial liabilities				
Trade and other payables	–	–	2,226,310	2,226,310
Lease liability	–	38,921	–	38,921
Total financial liabilities		**38,921**	**2,226,310**	**2,265,231**

Notes to the Consolidated Financial Statements (continued)
For the Year Ended 30 June 2022

	Fixed Interest rate %	Fixed interest rate within year $	Non-interest bearing $	Total $
Consolidated				
30-Jun-21				
Financial assets				
Cash & cash equivalents	0.19%	6,587,434	–	6,587,434
Trade and other receivables	–	–	806,227	806,227
Other financial asset	0.20%	103,673	–	103,673
Total financial assets		**6,691,107**	**806,227**	**7,497,334**
Financial liabilities				
Trade and other payables	–	–	1,234,936	1,234,936
Lease liability	–	190,998	–	190,998
Total financial liabilities		**190,998**	**1,234,936**	**1,425,934**

Sensitivity analysis on interest rate risk

The Group has performed sensitivity analysis relating to its interest rate risk based on the Group's year end exposure. This sensitivity demonstrates the effect on after tax results and equity which could result from a movement in interest rates of +/- 0.25%.

	Consolidated	
	2022	2021
	$	$
Change in after tax loss		
Increase in interest rate by 0.25%	**6,002**	15,009
Decrease in interest rate by 0.25%	**(6,002)**	(15,009)

v. Fair value of financial instruments

The fair values of financial assets and financial liabilities are determined as follows:

- The fair value of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices; and
- The fair value of other financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analyses.

The directors 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.

Notes to the Consolidated Financial Statements (continued)
For the Year Ended 30 June 2022

Note 12 Interest in Subsidiaries

The consolidated financial statements include financial statements of ResApp Health Limited and the following subsidiaries:

		% Equity Interest	
Name	**Country of Incorporation**	**2022**	**2021**
ResApp Diagnostics Pty Ltd[1]	Australia	100%	100%
ResApp Health (UK) Limited[2]	United Kingdom (UK)	100%	100%

[1] Non-operating company.
[2] Incorporated on 7 February 2020; its primary purpose is to conduct sales and marketing activities for the Group in the European region.

Note 13 Right-of-Use Asset and Equipment

	Office & IT Equipment $	Right-of-Use Asset: Office Suite (see Note 18) $	Total $
Gross carrying amount			
Balance at 1 July 2021	90,953	412,706	503,659
Additions	29,317	–	29,317
Balance at 30 Jun 2022	120,270	412,706	532,976
Less accumulated depreciation			
Balance at 1 July 2021	29,493	240,744	270,237
Depreciation	21,559	137,568	159,127
Balance at 30 June 2022	51,052	378,312	429,364
Net book values at 30 June 2022	**69,218**	**34,394**	**103,612**

	Office & IT Equipment $	Right-of-Use Asset: Office Suite (see Note 18) $	Total $
Gross carrying amount			
Balance at 1 July 2020	45,476	412,706	458,182
Additions	46,572	–	46,572
Disposals	(1,095)	–	(1,095)
Balance at 30 Jun 2021	90,953	412,706	503,659
Less accumulated depreciation			
Balance at 1 July 2020	14,214	103,176	117,390
Depreciation	15,932	137,568	153,500
Disposals	(653)	–	(653)
Balance at 30 June 2021	29,493	240,744	270,237
Net book values at 30 June 2021	**61,460**	**171,962**	**233,422**

Notes to the Consolidated Financial Statements (continued)
For the Year Ended 30 June 2022

Note 14 Intangibles Assets

	Licensed IP	Development Costs	Total
	$	$	$
Gross carrying amount			
Balance at 1 July 2021	2,428,459	–	2,428,459
Additions	–	131,822	131,822
Balance at 30 Jun 2022	2,428,459	131,822	2,560,281
Less accumulated depreciation			
Balance at 1 July 2021	809,488	–	809,488
Depreciation	134,916	10,986	145,902
Balance at 30 June 2022	944,404	10,986	955,390
Net book values at 30 June 2022	**1,484,055**	**120,836**	**1,604,891**

	Licensed IP	Development Costs	Total
	$	$	$
Gross carrying amount			
Balance at 1 July 2020	2,428,459	–	2,428,459
Additions	–	–	–
Balance at 30 Jun 2021	2,428,459	–	2,428,459
Less accumulated depreciation			
Balance at 1 July 2020	674,572	–	674,572
Depreciation	134,916	–	134,916
Balance at 30 June 2021	809,488	–	809,488
Net book values at 30 June 2021	**1,618,971**	–	**1,618,971**

The Group has ascribed an estimated useful life of the intangibles of 18 years from the date of acquisition, which is based on the expected usage and benefits derived over the patents' useful lives. The development costs are being amortised over the period of 3 years from the date the asset becomes available for use.

The Licensed IP developed (and owned) by UQ and licensed to ResApp via UniQuest includes patents and patent applications filed in five countries as well as those countries encompassed by the European Patent Convention. The patents and patent applications all claim a priority date of 29 March 2012. The following table summarises the patents:

Title	Countries with patent granted	Countries with pending patent applications
A method and apparatus for automatic disease state diagnosis	Nigeria	Australia, China, Europe, India, Indonesia and the US
A method and apparatus for processing asthma patient cough sound for application of appropriate therapy		Australia, China, Europe, Japan and the US.
A Method and Apparatus for Processing Patient Sounds	Australia, Japan, Korea and the US.	China and Europe.
A method for analysis of cough sounds using disease signatures to diagnose respiratory diseases		Australia, China, Europe, India, Japan, Korea and the US.

Notes to the Consolidated Financial Statements (continued)
For the Year Ended 30 June 2022

In addition to the patent applications, ResApp has an exclusive license of the know-how (and trade secrets) in the set of mathematical features and classifier technology used for the diagnosis and severity measurement of pneumonia, asthma and COPD developed by the research team at UQ.

Note 15 Trade and Other Payables

	Consolidated	
	2022	2021
	$	$
Trade payables	**956,247**	334,394
PAYG withholding payable	**255,930**	237,601
Superannuation payable	**81,562**	60,988
Accrued expenses & others	**932,571**	601,953
	2,226,310	1,234,936

Note 16 Employee Benefits Provision

	Consolidated	
	2022	2021
	$	$
Current:		
Annual leave	**306,810**	267,077
Noncurrent:		
Long-service leave	**122,057**	81,251

The movements in the employee benefits provision accounts are as follows:

	Consolidated	
	Annual leave	**Long-service leave**
	$	$
Balance at 1 July 2020	277,109	80,966
Additional provisions	139,864	285
Amount utilised	(149,896)	–
Balance at 30 June 2021	**267,077**	**81,251**
Balance at 1 July 2021	267,077	81,251
Additional provisions	259,974	40,806
Amount utilised	(220,241)	–
Balance at 30 June 2022	**306,810**	**122,057**

Notes to the Consolidated Financial Statements (continued)
For the Year Ended 30 June 2022

Note 17 Contract Liabilities

	Consolidated	
	2022	2021
	$	$
Current	**2,208,890**	60,000
Noncurrent	**223,667**	–
	2,432,557	60,000

On 11 April 2022, the Company announced that it has entered a Research and & Development License Agreement with Pfizer, Inc (R&D contract) pursuant to which Pfizer and ResApp will collaborate on the research and development of products in the field of COVID-19. The key terms of the R&D are as follows:

- Non-exclusive research and development license in the field of COVID-19.
- 6-month term, though parties may agree to two extensions of 3 months each.
- Each party will retain all rights to its respective intellectual property and know how during the term.
- Total A$3 million up-front license fee, and up to A$1 million in milestone payments based on clinical trial recruitment.

On 18 November 2021, the Company announced that it has entered into an agreement with Janssen Pharmaceutica NV (Janssen) wherein ResApp is to develop a customised software with the ResAppDx algorithms which will be made available for use by Janssen over a three-year period. The agreement has been deemed to be a Software as a Service (SAAS) contract.

The R&D contract and the SAAS contract have been accounted for under AASB 15. Under this standard, revenue from contract with customers from the R&D contract is recognised over the term of the contract when the performance obligations are fulfilled. The unsatisfied performance obligations in respect of the fees received or receivable are recognised as contract liabilities in the consolidated statement of financial position and will be recognised as revenue from contract with customers in the succeeding periods. ResApp does not expect to refund the considerations received from Pfizer and Janssen.

Note 18 Leases

The Company signed a three-year, lease agreement for office premises in Brisbane, Queensland with a commencement date of 1 October 2019. The lease agreement was accounted for under AASB 16 which resulted in the recognition of ‘right of use asset’ and ‘lease liability’ on the statement of financial position. Refer to Note 12 for the net book value of the ‘right of use asset’.

The lease imposes a restriction that, the right-of-use asset can only be used by the Company. The Company can sublet the asset to another party, only if prior consent is obtained from the landlord. The Company is prohibited from selling or pledging the underlying leased asset as security. The Company must keep the property in a good state of repair and return the property in their original condition at the end of the lease. Further, the Company must insure items of fixed assets and incur maintenance fees on such items in accordance with the lease agreement.

Lease liability is presented in the statement of financial position as follows:

	Consolidated	
	2022	2021
	$	$
Lease liability - current	**38,921**	152,077
Lease liability - noncurrent	**–**	38,921
	38,921	190,998

Notes to the Consolidated Financial Statements (continued)
For the Year Ended 30 June 2022

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

	Consolidated	
	2022	2021
	$	$
Balance at the beginning of year	**190,998**	328,891
Accretion	**2,202**	10,809
Payments	**(154,279)**	(148,702)
Balance at the end of year	**38,921**	190,998

The term-deposit of $110,350 (2021: $103,673) is held as security for the bank guarantee as required for the lease agreement. The term-deposit is presented as "other financial asset" in the statement of financial position.

Note 19 Issued Capital

	Number of Shares	**$**
Fully paid ordinary shares and authorised capital		
Balance as at 1 July 2021	**859,197,077**	**42,935,923**
Shares issued on 16 June 2022 on the exercise of employee options	500,000	40,000
Balance as at 30 June 2022	**859,697,077**	**42,975,923**

	Number of Shares	**$**
Fully paid ordinary shares and authorised capital		
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
Shares issued on 12 March 2021 pursuant to the terms of the Device Development Agreement	6,250,000	500,000
Shares issued 19 April 2021 under Placement at $0.058 per share	94,827,588	5,500,000
Costs directly attributable to issue of share capital	–	(533,847)
Balance as at 30 June 2021	**859,197,077**	**42,935,923**

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.

Notes to the Consolidated Financial Statements (continued)
For the Year Ended 30 June 2022

Device Development Agreement

On 28 May 2019, the Company entered into a device development agreement with Avanti Med Ltd (Avanti), a UK-based medical device manufacturer, to design, test and finalise two CE-marked devices: a low-cost ruggedized, handheld device and a small, wearable breathing monitor.

ResApp negotiated a fixed-price, milestone-based contract for the development of the devices. For each device, ResApp agreed to pay £75,000 in cash and issue $250,000 of ordinary shares on project commencement, with the number of shares calculated on the volume-weighted average price of shares in the 30 days preceding the commencement date. Avanti agreed to deliver the initial design and technical specifications within 3 weeks of signing. The balance of the project is divided into three milestones: delivery of functional prototypes, delivery of final designs and CE Mark approval. For each device, ResApp will make a fixed payment of $500,000 when each milestone is achieved, payable in cash or ordinary shares at the election of ResApp. The number of shares for the milestone payments will be calculated using 80% of (i) the volume-weighted average price of shares in the 30 days preceding the milestone or (ii) 10 cents, whichever is higher. If ResApp elects to pay the milestones payment in shares, it is proposed that the shares will be issued under the Company's 15% placement capacity. ResApp has termination rights during the project, including the right to terminate if target milestones are not met.

For the year ended 30 June 2021, the Company issued a total of 6,250,000 Shares (equivalent to $500,000) to Avanti in consideration for performance milestones achieved for the development of the handheld and wearable devices, pursuant to the terms of the Device Development Agreement. The amounts were recognised as research and development costs in the statement of profit or loss and other comprehensive income. The completion of the CE Mark approval for the handheld device is still outstanding as of 30 June 2022.

Capital risk management

The Group's objectives 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.

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

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

The capital risk management policy remains unchanged from the 30 June 2021 Annual Report.

Proposed acquisition of ResApp by Pfizer

In April 2022, 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) (**Pfizer**) under which it is proposed that Pfizer will acquire 100% of the shares in ResApp by way of a scheme of arrangement for $0.115 per share in cash, representing a total equity value of approximately $100 million.

In June 2022, ResApp and Pfizer agreed to increase the scheme consideration to $0.207 per share in cash upon satisfaction of the Qualifying Confirmatory Data Readout Condition (as described further below), or $0.146 per share if the Qualifying Confirmatory Data Readout Condition was not satisfied. The Qualifying Confirmatory Data Readout Condition would be achieved if an analysis of collected clinical trial subject samples conducted by ResApp (**Data Confirmation Study**) showed that ResApp's Covid-19 algorithm reported a sensitivity equal to or greater than 86% and specificity equal to or greater than 71%.

Notes to the Consolidated Financial Statements (continued)
For the Year Ended 30 June 2022

In June 2022, the results from the Data Confirmation Study were reported and the Qualifying Confirmatory Data Readout Condition was not satisfied, resulting in the scheme consideration to be $0.146 per share in cash, representing a total equity value of approximately $127 million.

Refer to Note 27 for events after the reporting period on the scheme of arrangement.

Note 20 Equity-Settled Benefits Reserve

	Number of Options	Equity-Settled Benefits Reserve $
Balance as at 1 July 2021	19,425,000	1,423,523
Options issued during the year	4,250,000	141,589
Options forfeited, exercised & lapsed during the year	(4,450,000)	(437,575)
Balance as at 30 June 2022	**19,225,000**	**1,127,537**

	Number of Options	Equity-Settled Benefits Reserve $
Balance as at 1 July 2020	38,925,000	1,772,183
Options issued during the year	10,000,000	387,295
Options forfeited, exercised & lapsed during the year	(29,200,000)	(735,955)
Balance as at 30 June 2021	**19,725,000**	**1,423,523**

During the year ended 30 June 2022, ResApp Health Limited issued the following options which were expensed as share-based payments:

- 500,000 Employee Incentive Options were issued to Employee on 2 August 2021 pursuant to the terms of the Company's Employee Incentive Plan. The Options are exercisable at $0.05 and expire on 25 August 2025. The Employee Incentive Options vest in equal quarterly instalments over 4 years from the date of issue if the employee remains employed by the Company. The options are valued at the date of issue and recognised for the vesting period to 25 August 2025.
- 3,750,000 Employee Incentive Options were issued to Employee on 3 December 2021 pursuant to the terms of the Company's Employee Incentive Plan. The Options are exercisable at $0.069 and expire on 2 December 2026. The Employee Incentive Options 937,500 Options will vest on the date that is 12 months after the issue date; the balance of the options will vest in equal tranches of 78,125 options on a monthly basis during the period from 13 months after the issue date until the date that is 48 months after the issue date if the employee remains employed by the Company. The options are valued at the date of issue and recognised for the vesting period to 2 December 2026.

During the year ended 30 June 2021, ResApp Health Limited issued the following options which were expensed as share-based payments:

- 500,000 Employee Incentive Options were issued to a Director on 3 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 Employee Incentive Options vest immediately and recognised as share-based payment expense during the year.
- 2,500,000 Employee Incentive Options were issued to Employee on 12 January 2021 pursuant to the terms of the Company's Employee Incentive Plan. The Options are exercisable at $0.099 and expire on 12 January 2026. 25% of the Employee Incentive Options vest after 12 months after the date of issue and the remaining options vest in equal quarterly instalments over 36 months from the date of issue if the employee remains employed by the Company. The options are valued at the date of issue and recognised as share-based payment expense for the vesting period to 12 January 2026.

Notes to the Consolidated Financial Statements (continued)
For the Year Ended 30 June 2022

- 1,000,000 Employee Incentive Options were issued to Employee on 1 April 2021 pursuant to the terms of the Company's Employee Incentive Plan. The Options are exercisable at $0.08 and expire on 1 April 2025. 50% of the Employee Incentive Options vest after 12 months after the date of issue and the remaining options vest in equal quarterly instalments over 24 months from the date of issue if the employee remains employed by the Company. The options are valued at the date of issue and recognised as share-based payment expense for the vesting period to 1 April 2025.
- 6,000,000 unlisted options were issued to Consultants on 19 April 2021. The Options are exercisable at $0.07 and expire on 19 April 2024. The Options vest immediately and recognised as part of costs directly attributable to issue of share capital during the year.

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 years ended 30 June 2021 and 2022.

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
6-May-19	0%	125%	1.47%	$0.19	3	$0.17	$0.14	$274,133
28-Nov-19	0%	89%	0.73%	$0.21	5	$0.28	$0.20	$192,907
28-Nov-19	0%	89%	0.72%	$0.43	3	$0.28	$0.13	$255,169
6-Apr-20	0%	148%	0.25%	$0.16	3	$0.20	$0.16	$126,691
26-Nov-20	0%	139%	0.17%	$0.16	3	$0.09	$0.16	$31,456
11-Jan-21	0%	138%	0.84%	$0.10	5	$0.08	$0.07	$50,519
19-Apr-21	0%	68%	0.31%	$0.07	3	$0.07	$0.03	$180,073
2-Aug-21	0%	64%	0.81%	$0.05	4	$0.04	$0.02	$1,602
3-Dec-21	0%	73%	1.32%	$0.07	5	$0.06	$0.03	$14,987
Balance at 30 June 2022								**$1,127,537**

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	$48,765
18-Feb-19	0%	126%	1.47%	$0.11	3	$0.09	$0.06	$11,383
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	$167,980
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	$21,924
6-Apr-20	0%	148%	0.25%	$0.16	3	$0.20	$0.16	$83,339
26-Nov-20	0%	139%	0.17%	$0.16	3	$0.09	$0.16	$31,456
11-Jan-21	0%	138%	0.84%	$0.10	5	$0.08	$0.07	$16,840
1-Apr-21	0%	67%	0.56%	$0.08	4	$0.07	$0.03	$2,220
19-Apr-21	0%	68%	0.31%	$0.07	3	$0.07	$0.03	$180,073
Balance at 30 June 2021								**$1,423,523**

Notes to the Consolidated Financial Statements (continued)
For the Year Ended 30 June 2022

The expected life of the share options is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may not necessarily be the actual outcome.

Note 21 Loss Per Share

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

	Consolidated	
	2022	2021
	$	$
Loss attributable to ordinary equity holders (used in calculating basic and diluted EPS) – continuing operations.	**(7,095,510)**	(6,774,495)
Weighted average number of ordinary shares for the purpose of basic and diluted earnings per share adjusted for share consolidation	**859,217,625**	778,303,500
Loss per share (basic and diluted) (cents)	**(0.83)**	(0.87)

Note 22 Notes to the Cash Flow Statements

Reconciliation of loss for the period to net cash flows from operating activities

	Consolidated	
	2022	2021
	$	$
Loss after income tax	**(7,095,510)**	(6,774,495)
Non-cash flows in loss after income tax:		
Share based payments	**141,589**	207,222
Depreciation and amortisation	**305,029**	288,416
Interest expense on lease liability	**2,202**	10,809
Research and development expenditures settled through issuance of shares	**–**	500,000
Changes in assets and liabilities relating to operating activities:		
Decrease (increase) in trade and other receivables	**(812,458)**	3,003
Decrease/(increase) in prepayments	**408**	(16,716)
Increase in trade and other payables	**990,857**	67,296
Increase in contracts liabilities	**2,372,557**	60,000
Increase (decrease) in provisions	**80,539**	(9,747)
Net cash flows used in operating activities	**(4,014,787)**	(5,664,212)

Notes to the Consolidated Financial Statements (continued)
For the Year Ended 30 June 2022

Note 23 Remuneration of Auditors

	Consolidated	
	2022	2021
	$	$
Audit and other non-audit services		
Ernst & Young:		
Audit and review of financial reports	**54,500**	50,000
	54,500	50,000

Note 24 Related Party Transactions

(a) Transactions with key management personnel

i. Key management personnel compensation

The aggregate compensation made to key management personnel of the Group is set out below:

	Consolidated	
	2022	2021
	$	$
Short term employee benefits	**617,526**	463,039
Post-employment benefits	**76,390**	48,261
Share-based payments	**24,926**	96,481
	718,842	607,781

ii. Transactions with key management personnel and related parties

Other than those transactions noted in the audited Remuneration Report, there were no related party transactions that occurred in the reporting period.

Note 25 Contingent Liabilities

The Directors of the Group are not aware of any contingent liabilities which require disclosure in the financial year ended 30 June 2022.

Note 26 Commitments

	Consolidated	
	2022	2021
	$	$
Research and development commitments		
Not later than 1 year	**101,596**	332,684
Total research and development commitments	**101,596**	332,684
Selling, general administrative commitments		
Not later than 1 year	**9,753**	55,000
Total Selling, general administrative commitments	**9,753**	55,000

Notes to the Consolidated Financial Statements (continued)
For the Year Ended 30 June 2022

Note 27 Events After The Reporting Period

Scheme of Arrangement

Subsequent to the reporting period, ResApp provided the following updates on the proposed scheme of arrangement with Pfizer:

- On 15 July 2022, ResApp announced that the Supreme Court of New South Wales has made orders that ResApp convene a meeting of ResApp shareholders to consider and vote on the Scheme and approving the dispatch of the scheme booklet dated 15 July 2022 (**Scheme Booklet**) to ResApp shareholders.

- On 18 July 2022, ResApp announced that the Australian Competition and Consumer Commission (**ACCC**) condition precedent in the Scheme has been satisfied and that the Scheme Booklet has been registered with the Australian Securities and Investments Commission (**ASIC**).

- On 20 July 2022, ResApp announced that it has dispatched to ResApp shareholders the Scheme Booklet which contains information about the Scheme and Scheme meeting.

- On 3 August 2022, ResApp and Pfizer agreed to increase the scheme consideration to $0.208 per share in cash, representing a total equity value of approximately $180 million. ResApp released a supplementary scheme booklet to ASX on 5 August 2022 and completed dispatch of that supplementary scheme booklet to shareholders on 8 August 2022.

- On 16 August 2022, ResApp announced that it has received confirmation from Pfizer that the all-cash consideration of A$0.208 per ResApp share is its best and final offer and it will not increase its offer under the scheme implementation deed, subject to no competing proposal emerging. Also, ResApp announced that Pfizer and ResApp have entered into a loan agreement pursuant to which Pfizer has agreed to provide $680,000 to ResApp to assist ResApp to fund its short-term working capital needs during the Scheme period (**Bridging Loan**). On 24 August 2022, the Company received the $680,000 loan proceeds from Pfizer. The key terms of the Bridging Loan are as follows:

    - principal amount of A$680,000;
    - interest rate of 6% per annum;
    - a term of 6 months, unless repaid early (at ResApp's election);
    - repayable on 5 business days' notice on the occurrence of certain events of default customary for a loan of this nature including a breach of obligations, representation or warranty, or the occurrence of an insolvency event; and
    - in the event ResApp fails to repay the loan, ResApp is required to grant Pfizer a nonexclusive license over clinical trial data generated under the Research, Development and Licence Agreement to the extent not prohibited by applicable signed informed consent and authorisation forms, applicable laws and ethics and/or institutional review board approvals.

  Further information in respect of the Bridging Loan and the circumstances surrounding ResApp's entry into the Bridging Loan including ResApp's financial position are described in the second supplementary scheme booklet dated 25 August 2022 (**Second Supplementary Scheme Booklet**).

- On 25 August 2022, ResApp announced that the Supreme Court of New South Wales approved dispatch of the Second Supplementary Scheme Booklet providing information about the adjourned Scheme Meeting to shareholders. ResApp advised shareholders that the Scheme Meeting will now take place at 2:00pm on Wednesday, 7 September 2022 at the offices of DLA Piper Australia, Level 22 No 1 Martin Place, Sydney and virtually via an online platform. For further information in respect of the scheme meeting see the Second Supplementary Scheme Booklet.

Notes to the Consolidated Financial Statements (continued)
For the Year Ended 30 June 2022

Other Matters

On 5 July 2022, ResApp announced that its patent, "Methods and apparatus for cough detection in background noise environments" has been granted in Australia (patent number 2018214442) and Japan (patent number JP,7092777,B). The patent covers the use of machine learning audio processing techniques for detecting cough sounds in environments with significant background noise. The technology covered by the patent is used in ResApp's smartphone-based respiratory diagnostic test ResAppDx and its cough counting software ResAppCC.

On 6 July 2022, ResApp announced that SleepCheckRx has received 510(k) clearance as a prescription-only software-as-a-medical device from the US Food and Drug Administration (FDA). Gaining FDA clearance enables ResApp to commercially market the test in the United States.

On 7 July 2022, ResApp announced that it has agreed to a 12-month extension to its commercial licence agreement with Medgate AG ("Medgate") to use ResApp's smartphone-based acute respiratory diagnostic test, ResAppDx, on Medgate's telehealth platform.

On 22 July 2022, ResApp announced the results of a small clinical study which investigated the use of ResAppDx to identify acute respiratory disease in patients wearing surgical masks. The study showed substantial or near perfect agreement between patients wearing a mask and not wearing a mask for all studied endpoints.

No other adjusting or significant non-adjusting events have occurred between the reporting date and the date of authorisation.

The financial statements were approved by the Board on 30th August 2022.

Note 28 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 year ended 30 June 2022. These are the figures that are reviewed and used by the Board of Directors in assessing performance and determining the allocation of resources.

Notes to the Consolidated Financial Statements (continued)
For the Year Ended 30 June 2022

Note 29 Parent Entity Information

The following detailed information is related to the parent entity, ResApp Health Limited, as at 30 June 2022 and 2021:

	2022	2021
	$	$
Current assets	**3,984,183**	7,473,027
Non-current assets	**2,835,778**	2,814,197
Total assets	**6,819,961**	10,287,224
Current liabilities	**5,000,163**	1,692,061
Non-current liabilities	**122,057**	120,172
Total liabilities	**5,122,220**	1,812,233
Contributed equity	**42,975,923**	42,935,923
Reserves	**1,127,537**	1,423,523
Accumulated losses	**(42,405,719)**	(35,884,455)
Total equity	**1,697,741**	8,474,991
Loss for the year	**(6,958,840)**	(6,611,399)
Other comprehensive income for the year	**–**	–
Total comprehensive loss for the year	**(6,958,840)**	(6,611,399)

Directors' Declaration

The Directors' of the Group declare that:

1. in the Directors' opinion, the financial statements and accompanying notes set out on pages 18 to 52 are in accordance with the *Corporations Act 2001* and:

   (a) comply with Accounting Standards and the *Corporations Regulations 2001*; and

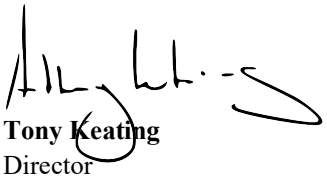
   (b) give a true and fair view of the Group's financial position as at 30 June 2022 and of its performance for the year ended on that date;

2. note 3 confirms that the financial statements also comply with International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB);

3. in the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable;

4. the remuneration disclosures included in pages 12 to 15 of the directors' report (as part of the audited Remuneration Report), for the year ended 30 June 2022, comply with section 300A of the *Corporations Act 2001*; and

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
30th day of August 2022

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Building a better working world

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

Report on the audit of the financial report

Opinion

We have audited the financial report of ResApp Health Limited (the Company) and its subsidiaries (collectively the Group), which comprises the consolidated statement of financial position as at 30 June 2022, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is 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 30 June 2022 and of its consolidated financial performance for the year ended on that date; and

b. Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

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 and 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.

Material Uncertainty Related to Going Concern

We draw attention to Note 2 in the financial report, which indicates that the Group incurred a net loss during the period ended 30 June 2022 and its ability to continue as a going concern is dependent on cash inflows from commercialisation of its products, capital raises or other funding arrangements. 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.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial report of the current year. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, but 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 of our report, we have determined the matter described below to be the key audit matters to be communicated in our report. Our description of how our audit addressed the matter is provided in that context.

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We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the financial report* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial report. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial report.

Revenue from contract with customers from software development and Research and Development (R&D) services

Why significant	How our audit addressed the key audit matter
▸ As disclosed in Note 3 Revenue from Customer Contracts of the financial report, the Group derives revenue from contracts with customers from sale of products and service. Revenue from software development and R&D services is recognised over the term of the contract. ▸ Revenue recognition is considered a key audit matter as judgement is involved in determining whether the criteria for revenue recognition have been met and that revenue is recognised in the correct period.	Our audit procedures included the following: ▸ Assessed the appropriateness of the Group's revenue recognition accounting policies for compliance with Australian Accounting standards. ▸ Read the Group's underlying licensing arrangements and customer contracts. ▸ On a sample basis, tested the Group's revenue recognition was consistent with the terms of the underlying licensing arrangements and customer contracts and assessed the satisfaction of the relevant performance obligations required to recognise revenue. ▸ Recalculated the Group's contract liability at 30 June 2022 by subtracting revenue recognised from individual customer and contracts from the amount invoiced to those customers under the relevant arrangements for the year ended 30 June 2022. ▸ On a sample basis, tested the receipt, subsequent to year, of customer invoices included in accounts receivable at 30 June 2022. ▸ Assessed the adequacy of the disclosures relating to revenue in the financial report.

Research and development incentive receivable

Why significant	How our audit addressed the key audit matter
As outlined in Note 4 Other Income, the Group recognised a research & development (R&D) tax incentive totalling $1,150,825 for the year ended 30 June 2022. The matter was considered a key audit matter for the following reasons: ▸ The R&D tax incentive makes a significant contribution to the cash inflows of the Group. ▸ As outlined in Note 3 *Critical Accounting Judgements and Key Sources of Estimation Uncertainty*, there is judgement involved in assessing whether expenditure incurred meets the R&D Tax Incentive eligibility criteria and in determining the apportionment of expenditure between eligible and non-eligible categories based on R&D activities undertaken by the Group.	Our audit procedures included the following: ▸ Assessed the mathematical accuracy of the calculation of the Group's R&D claim. ▸ On a sample basis, agreed expenses claimed to source documentation, such as payroll information and supplier invoices. ▸ Involved our R&D taxation specialists to review the Group's R&D claim and to consider whether the Group's R&D claim meets the recognition criteria. ▸ Obtained representations from the Group that the activities are eligible under the self-assessed R&D Tax Incentive criteria, and for a sample of the transactions tested the support for the technical and expenditure components of the R&D tax claim. ▸ Considered the adequacy of the disclosures in the financial report.

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Information other than the financial report and auditor's report thereon

The directors are responsible for the other information. The other information comprises the information included in the Company's 2022 annual report, 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, with the exception of the Remuneration Report and our related assurance opinion.

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.

Responsibilities of the directors for the financial report

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

In preparing the financial report, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters relating 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.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated to the directors, we determine those matters that were of most significance in the audit of the financial report of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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Report on the Audit of the Remuneration Report

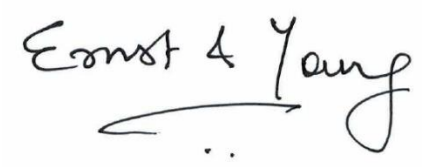
Opinion on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2022.

In our opinion, the Remuneration Report of ResApp Health Limited for the year ended 30 June 2022, complies with section 300A of the *Corporations Act 2001*.

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.



Ernst & Young

Madhu Nair
Partner
Brisbane
30 August 2022

ASX Additional Information

Pursuant to the Listing Rules of the Australian Securities Exchange, the shareholder information set out below was applicable as at 23 August 2022.

a) Distribution of Equity Securities

Analysis of numbers of shareholders by size of holding:

Distribution	Number of Shareholders	Total number of Shares	% Issued Share Capital
1 to 1,000	602	249,616	0.03%
1,001 to 5,000	1,386	4,288,402	0.50%
5,001 to 10,000	1,076	8,533,897	0.99%
10,001 to 100,000	2,513	95,505,115	11.11%
100,001 and over	935	751,120,047	87.37%
	6,512	**859,697,077**	**100.00%**

There were 1,191 shareholders holding less than a marketable parcel of ordinary shares.

b) Substantial Shareholders

ResApp Health Limited has received the following substantial shareholder notifications. As at 23 August 2022, no other substantial shareholder notices have been received.

Shareholder Name	Shares held at date of Notice	Percentage held at date of Notice (%)	Date of Notice
FIL Limited	85,833,787	9.99	21/04/2021
Ian Francis Reynolds	36,930,633	5.60	21/09/2017

c) Twenty Largest Shareholders

The names of the twenty largest holders of quoted shares are listed below:

	Shareholder	Number of Shares	%
1	HSBC Custody Nominees (Australia) Limited	90,509,172	10.53%
2	BNP Paribas Nominees Pty Ltd <IB Au Noms Retail client DRP>	46,498,352	5.41%
3	J P Morgan Nominees Australia Pty Limited	22,398,291	2.61%
4	Mr Frank Weng Thong Chew	18,453,000	2.15%
5	HSBC Custody Nominees (Australia) Limited <GSCO Customers A/C>	17,974,966	2.09%
6	BNP Paribas Noms Pty Ltd <Drp>	14,977,050	1.74%
7	HSBC Custody Nominees (Australia) Limited-GSCO ECA	12,567,531	1.46%
8	Mr Yongsheng Peng & Mrs Yuezhen Xie	11,667,602	1.36%
9	Mr Anthony James Keating	10,225,000	1.19%
10	Citicorp Nominees Pty Limited	9,962,873	1.16%
11	Equimetrixs Pty Ltd <The Newtonmore Superannuation fund A/C>	8,437,500	0.98%
12	Narhex Life Sciences Developments Pty Ltd	7,997,005	0.93%

ASX Additional Information

	Shareholder	Number of Shares	%
13	CEM International (Asia) Pty Ltd	7,849,888	0.91%
14	Norfolk Enchants Pty Ltd <Trojan Retirement Fund A/C>	7,510,228	0.87%
15	Mr Trent Antony Goodrick	7,000,000	0.81%
16	Queensland Forest Industries Pty Ltd	6,502,500	0.76%
17	Mishtalem Pty Ltd	6,500,000	0.76%
18	Super Dino Pty Ltd <Dino Super A/C>	5,430,779	0.63%
19	HSBC Custody Nominees (Australia) Limited - A/C 2	5,378,484	0.63%
20	Paranji Super Fund Pty Ltd <Paranji Superfund A/C>	5,285,000	0.61%
	TOTAL	**323,125,221**	**37.59%**

d) Listed Options

As at the date of this report there were nil listed options on issue in the Company.

e) Voting Rights

In accordance with the Company's Constitution, voting rights in respect of ordinary shares are on a show of hands whereby each member present in person or by proxy shall have one vote and upon a poll, each share will have one vote.

f) Unquoted Securities

Incentive Options- $0.19; 6 May 2024

Number of Incentive Options	2,000,000
Number of Holders	1
Holders with more than 20%	Dr Philip Currie – 100%

Unlisted Options- $0.07; 19 April 2024

Number of Incentive Options	6,000,000
Number of Holders	2
Holders with more than 20%	LTL Capital Pty Ltd – 83.3%

Employee Incentive Options

ESOP Options - $0.43; 20 December 2022	2,000,000 Options – 4 holders
ESOP Options - $0.21; 20 December 2024	975,000 Options – 1 holder
ESOP Options - $0.16; 6 April 2023	1,000,000 Options – 1 holder
ESOP Options - $0.16; 2 December 2023	500,000 Options – 1 holder
ESOP Options - $0.099; 12 January 2026	2,500,000 Options – 1 holder
ESOP Options - $0.05; 2 August 2025	500,000 Options – 1 holder
ESOP Options - $0.069; 3 December 2026	3,750,000 Options – 1 holder

g) On Market Buy-Back

There is no current on market buy-back for any of the Company's securities.

ASX Additional Information

h) Restricted Securities

There are currently no restricted securities on issue.