

APPENDIX 4D

For the Half Year Ended 31 December 2019

Results for Announcement to the Market

Current Reporting Period - Half year ended 31 December 2019

Previous Reporting Period - Half year ended 31 December 2018

				31 Dec 2019	31 Dec 2018
Revenue	Up	109%	to	\$2,156,423	from \$1,028,798
Loss after tax attributable to members	Down	54%	to	(\$1,421,896)	from (\$3,102,358)
Net loss for the period attributable to members	Down	54%	to	(\$1,421,896)	from (\$3,102,358)

Net Tangible Asset per Security (cents per security)

As at 31 December 2019	(0.08)
As at 30 June 2019	(0.30)

Dividends (distribution)	Amount per Security	Franked Amount per Security
Final dividend	N/A	N/A
Previous corresponding period	N/A	N/A
Record date for determining entitlements to dividend		N/A
Details of dividend reinvestment plans in operation		None
Details of entities over which control has been gained or lost during the period		None
Details of Associates and Joint Ventures		None
These accounts have been subject to review and there has been no qualification or dispute.		
<u>Explanation of the above information:</u>		
Refer to the Directors' Report - Review of Operations.		
Approved Date: Wednesday, 19 th February 2020		

RESPIRI



ABN 98 009 234 173

Appendix 4D

Interim Financial Report

For the Half Year ended December 2019

To be read in conjunction with the 30 June 2019 Annual Report

In compliance with Listing Rule 4.2A

Respiri Limited
Table of Contents

Directors' Report	4
Auditors' Independence Declaration	6
Consolidated Statement of Profit or Loss and Other Comprehensive Income	7
Consolidated Statement of Financial Position	8
Consolidated Statement of Changes in Equity.....	9
Consolidated Statement of Cash Flows	10
Notes to the Condensed Consolidated Financial Statements	11
Directors' Declaration	17
Independent Auditors' Review Report	18
Corporate Directory.....	20

This Half Year Financial Report does not include all notes of the type normal included in an Annual Financial Report. Accordingly, this report is to be read in conjunction with the Annual Financial Report for the year ended 30 June 2019 and any public announcements made by Respiri Limited during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001 and the ASX Listing Rules.

Respiri Limited

Directors' Report

The Directors' of Respiri Limited ("RSH", "Respiri", "The Company" or "the Group") provide the following Report on the consolidated entity consisting of Respiri Limited and the entities it controlled for the half year ended 31 December 2019.

DIRECTORS

The following persons were Directors of the Group during the whole of the half-year and up to the date of this report, unless otherwise stated:

Mr Marjan Mikel	CEO (Appointed on 2 nd December 2019) Executive Director (Appointed on 25 th November 2019)
Mr Nicholas Smedley	Non-Executive Director (Appointed on 30 th October 2019) Executive Chairman (Appointed on 15 th November 2019)
Dr Thomas Duthy	Non-Executive Director (Appointed on 11 th February 2020)
Professor Bruce Thompson	Non-Executive Director (Appointed on 27 th November 2018, resigned 10 th February 2020)
Mr Ross Blair- Holt	Non-Executive Chairman (Resigned on 15 th November 2019)
Mr Mario Gattino	CEO and Executive Director (Resigned on 25 th October 2019)

PRINCIPAL ACTIVITIES

The Company's principal activities in the course of the financial year have been the research, development and commercialisation of medical devices, and the development of mobile health applications. There were no significant changes in the nature of the Company's principal activities during the half year.

REVIEW OF OPERATIONS

The loss of the Company after income tax for the financial year was \$1,421,896 (2018: \$3,102,358 loss). This result has been achieved after fully expensing all research and development costs.

The Company went through a transition period during the six months ending 31 December 2019. Whilst a larger R&D refund of \$2.1m (i.e. for the year to June 2019) was received during the half, cash payments also increased as the company commenced paying down the large creditors balance that the company been carrying (\$1.8m at the beginning of the half).

Cash outflows from operating activities were \$4.1m compared to \$3.2m in the same period in the prior year. These included termination payments to previous management along with significant marketing spend both of which are not expected in the next half.

Cash at bank at the end of period was \$1.1m compared with \$0.3m at the beginning of the half.

Along with inroads made towards clearing outstanding creditors, and changes to senior management, the company also refreshed its board. Further board and management appointments are expected across the next six months.

The Company made a significant foray into the Indian market during the half following execution of a Joint Venture agreement with its Indian partner, MedAchievers. Whilst the joint venture remains in place, following a pause over the Christmas period, the Company is yet to receive the orders hoped for under this arrangement. The Company is still confident that this relationship will bear fruit but the commitment in time and resources will be more modest in the future - in line with the Company's broader overall strategy.

With the new board and new management team came the new strategy. As this is implemented across calendar 2020 the company has revised its budgets to accommodate a greater focus on commercialisation

and less on marketing and international markets, at least in the near term. Medical trials, device certification and the end to end manufacturing process, however, remain key components of the strategy.

AUDITORS' INDEPENDENCE DECLARATION

A copy of the auditors' independence declaration as required under section 307C of the Corporations Act 2001 is set out on the page 6.

Signed in accordance with a resolution of directors made pursuant to s.306(3) of the Corporations Act 2001.



On behalf of the Directors
Mr Nicholas Smedley
Chairman

Melbourne
Dated this the 19th Day of February 2020.

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AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the financial report of Respiro Limited and controlled entities for the half year ended 31 December 2019, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

A handwritten signature in blue ink, appearing to be "RSM".

RSM AUSTRALIA PARTNERS

A handwritten signature in blue ink, appearing to be "BY CHAN".

B Y CHAN

Partner

Dated: 19 February 2020
Melbourne, Victoria

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the Half Year Ended 31 December 2019

	Note	Consolidated 31 December 2019 \$ AUD	Consolidated 31 December 2018 \$ AUD
Revenue			
Non-operating Revenue		1,116	2,546
Other Income		2,155,307	1,026,252
Total Revenue		2,156,423	1,028,798
Expenses			
Consulting, employee and director expenses		(861,155)	(684,225)
Share-based payment expense		198,393	16,257
Corporate administration expenses		(695,318)	(737,349)
Depreciation expenses		(2,412)	(2,662)
Marketing and promotion expenses		(344,150)	(139,289)
Research and development expenses		(1,800,594)	(2,488,899)
Travel expenses		(73,083)	(94,989)
Loss before income tax expense from continuing operations		(1,421,896)	(3,102,358)
Income tax expense			
Loss after income tax for the period		(1,421,896)	(3,102,358)
Other comprehensive income:			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Exchange differences on translation of foreign operations		(7,582)	(5,859)
Total comprehensive loss for the period		(1,429,478)	(3,108,217)
Loss attributable to members of the parent entity		(1,421,896)	(3,102,358)
Total comprehensive loss attributable to members of the parent entity		(1,429,478)	(3,108,217)
Loss per share for the period attributable to the members of the parent entity			
Basic loss per share (cents per share)	9	(0.26)	(0.65)
Diluted loss per share (cents per share)	9	(0.26)	(0.65)

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 31 December 2019

		Consolidated 31 December 2019	Consolidated 30 June 2019
	Note	\$ AUD	\$ AUD
ASSETS			
Current Assets			
Cash and cash equivalents		1,091,381	306,655
Trade and other receivables		118,843	161,566
Other		84,819	534,709
Total Current Assets		1,295,043	1,002,930
Non-Current Assets			
Property, plant and equipment		9,558	9,502
Other assets		1,216	1,173
Total Non-Current Assets		10,774	10,675
TOTAL ASSETS		1,305,817	1,013,605
LIABILITIES			
Current Liabilities			
Trade and other payables		1,225,237	1,756,955
Other financial liabilities		12,912	12,912
Other Borrowings	6	482,314	806,442
Total Current Liabilities		1,720,463	2,576,309
TOTAL LIABILITIES		1,720,463	2,576,309
NET ASSETS		(414,646)	(1,562,704)
EQUITY			
Issued capital	7	108,819,290	106,043,361
Reserves	8	1,167,398	1,590,476
Accumulated Losses		(110,401,334)	(109,196,541)
TOTAL EQUITY		(414,646)	(1,562,704)

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

Consolidated Statement of Changes in Equity

For the Half Year Ended 31 December 2019

	Issued Capital	Option Reserve	Foreign Currency Translation Reserve	Accumulated Losses	Total
	\$ AUD	\$ AUD	\$ AUD	\$ AUD	\$ AUD
Balance as at 30 June 2018	102,332,258	346,414	(305,904)	(100,721,955)	1,650,813
Loss after income tax expense for the period	-	-	-	(3,102,358)	(3,102,358)
Other comprehensive income for the period, net of tax	-	-	(5,859)	-	(5,859)
Total comprehensive loss for the half-year	-	-	(5,859)	(3,102,358)	(3,108,217)
Transactions with Equity holders in their capacity as equity holders:					
Share-based payment expense	-	172,384	-	-	172,384
Shares Issued	3,150,000	-	-	-	3,150,000
Capital Raising Cost	(356,641)	-	-	-	(356,641)
Balance at 31 December 2018	105,125,617	518,798	(311,763)	(103,824,313)	1,508,339
Balance at 30 June 2019	106,043,361	1,906,000	(315,524)	(109,196,541)	(1,562,704)
Loss after income tax expense for the period	-	-	-	(1,421,896)	(1,421,896)
Other comprehensive income for the period, net of tax	-	-	(7,582)	-	(7,582)
Total comprehensive loss for the half-year	-	-	(7,582)	(1,421,896)	(1,429,478)
Transactions with Equity holders in their capacity as equity holders:					
Expired Options*		(217,103)		217,103	-
Share-based payment expense		(198,393)			(198,393)
Shares Issued	3,100,000				3,100,000
Capital Raising Cost	(324,071)				(324,071)
Balance at 31 December 2019	108,819,290	1,490,504	(323,106)	(110,401,334)	(414,646)

* To transfer the value of lapsed/expired options from the reserve to accumulated losses.

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

Respiri Limited

Consolidated Statement of Cash Flows

For the Half Year Ended 31 December 2019

	Note	Consolidated 31 December 2019 \$ AUD	Consolidated 31 December 2018 \$ AUD
<u>Cash flows from operating activities</u>			
R&D tax incentive refund		2,155,307	1,026,252
Payments to suppliers and employees (inclusive of GST)		(4,061,500)	(3,185,470)
Interest received		1,116	2,546
Net cash flows used in operating activities		(1,905,077)	(2,156,672)
<u>Cash flows related to investing activities</u>			
Payments for purchases of plant and equipment		(2,468)	(3,179)
Net cash flows used in investing activities		(2,468)	(3,179)
<u>Cash flows related to financing activities</u>			
Proceeds from issues of shares		3,350,000	2,750,000
Capital raising costs		(324,071)	(8,000)
Proceeds from Borrowings		1,080,146	-
Repayment of Borrowings		(1,400,000)	
Net cash flows from financing activities		2,706,075	2,742,000
Net increase/(decrease) in cash and cash equivalents		798,530	582,149
Cash and cash equivalents at the beginning of the period		306,655	2,418,427
Effects of exchange rate changes on cash and cash equivalents		(13,804)	(5,786)
Cash and cash equivalents at the end of the period		1,091,381	2,994,790

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

Notes to the Condensed Consolidated Financial Statements

Note 1 - Statement of Compliance

The half-year financial report is a general purpose financial report prepared in accordance with the Corporations Act 2001 and AASB 134 'Interim Financial Reporting'. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'. The half-year report does not include notes of the type normally included in an annual financial report and shall be read in conjunction with the most recent annual financial report.

Basis of Preparation

The condensed consolidated financial statements have been prepared on the basis of historical cost. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the Group's 2019 annual financial report for the financial year ended 30 June 2019. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

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 discharge of liabilities in the normal course of business.

As disclosed in the financial statements, the consolidated entity incurred a loss of \$1,421,896 (HY2018: \$3,102,358 loss) and had net cash outflows from operating activities of \$1,905,077 (HY2018: \$2,156,672 operating cash outflows) for the half-year ended 31 December 2019. As at that date the consolidated entity had net current liabilities of \$425,420 (June 2019: \$1,573,379 net current liabilities) and net liabilities of \$414,646 (June 2019: \$1,562,704 net liabilities).

These factors indicate a material uncertainty which may cast significant doubt over the ability of the consolidated entity to continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

The consolidated entity has prepared budgets and cash flow forecasts for the next 12 months from the date of this report which indicate the consolidated entity will have a positive cash balance during this period.

The consolidated entity has continued to receive R&D Tax Incentive income for research and development activities during the half-year ended 31 December 2019 and the cashflow forecasts include receipt of R&D Tax Incentive income in October 2020 for activities conducted during the year end 30 June 2020.

The cash flow forecasts also include future capital raisings, the earliest of which is planned by the end of April 2020. The consolidated entity has a strong track record of accessing capital when required as demonstrated by the recent capital raise of \$3,300,000 in August 2019.

Accordingly, the Directors believe that the consolidated entity will be able to continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial report. The financial report does not include any adjustments relating to the amounts or classification of recorded assets or liabilities that might be necessary if the consolidated entity does not continue as a going concern.

Note 1 - Statement of Compliance (Continued)**Going Concern (Continued)**

In the event that the capital raisings are unsuccessful and the cash flow forecasts are not achieved, and should additional funding not be available from Directors, related parties, shareholders or new investors to meet working capital requirements, there would be material uncertainty as to whether the consolidated entity would continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

Note 2 – Amendments to Accounting Standards that are mandatorily effective for the current financial Period

The Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to their operations and effective for an accounting period that begins on or after 1 January 2019.

New and revised Standards and amendments thereof and Interpretations effective for the current year that are relevant to the Group include:

- AASB 16 Leases

The application of these amendments has had an immaterial impact on the Group's consolidated financial statements and no restatement of comparative disclosures is required.

Note 3 - Dividends

No dividends have been declared for the period ended 31 December 2019.

Note 4 - Segment Information

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

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

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

- Australia
- Israel

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

The Israel reportable segment activities include research, development and commercialisation of medical devices.

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

Note 4 - Segment Information (Continued)

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

31 December 2019	----- Medical Devices -----		Segment Total \$ AUD	Corporate \$ AUD	Total \$ AUD
	Australia \$ AUD	Israel \$ AUD			
Segment Revenue					
Interest revenue	-	-	-	1,116	1,116
Other income	2,155,307	-	2,155,307	-	2,155,307
Total Segment Revenue	2,155,307	-	2,155,307	1,116	2,156,423
Segment Expenses					
Segment Depreciation Expenses	-	-	-	(2,412)	(2,412)
Segment Expenses	(1,341,840)	(58,302)	(1,400,142)	(2,175,765)	(3,575,907)
Total Segment Expense	(1,341,840)	(58,302)	(1,400,142)	(2,178,177)	(3,578,319)
Income Tax Expense					
Net Result	813,467	(58,302)	755,165	(2,177,061)	(1,421,896)
Assets					
Segment assets	12,089	12,097	24,186	1,281,631	1,305,817
Total Assets	12,089	12,097	24,186	1,281,631	1,305,817
Liabilities					
Segment liabilities	7	33,720	33,727	1,686,736	1,720,463
Total Liabilities	7	33,720	33,727	1,686,736	1,720,463

31 December 2018	----- Medical Devices -----		Segment Total \$ AUD	Corporate \$ AUD	Total \$ AUD
	Australia \$ AUD	Israel \$ AUD			
Segment Revenue					
Interest revenue	-	-	-	2,546	2,546
Other income	-	-	-	1,026,252	1,026,252
Total Segment Revenue	-	-	-	1,028,798	1,028,798
Segment Expenses					
Segment Depreciation Expenses	-	-	-	(2,662)	(2,662)
Segment Expenses	(2,241,412)	(53,593)	(2,295,005)	(1,833,489)	(4,128,494)
Total Segment Expense	(2,241,412)	(53,593)	(2,295,005)	(1,836,151)	(4,131,156)
Income Tax Expense	-	-	-	-	-
Net Result	(2,241,412)	(53,593)	(2,295,005)	(807,353)	(3,102,358)
Assets					
Segment assets	26,179	19,044	45,223	3,668,682	3,713,905
Total Assets	26,179	19,044	45,223	3,668,682	3,713,905
Liabilities					
Segment liabilities	404,957	22,498	427,455	1,778,111	2,205,566
Total Liabilities	404,957	22,498	427,455	1,778,111	2,205,566

Note 5 - Contingent Liabilities and AssetsOffice of the Chief Scientist- Israel

Following approval from the Office of the Chief Scientist in Israel (OCS), four OCS grants totalling USD\$541,470 were received by Karmel Medical Acoustic Technologies Ltd (KMAT) prior to 2006 to assist with the R&D of technologies. The R&D associated with these OCS grants was acquired by Respiri from KMAT in 2006, together with the associated OCS grant obligations. In 2008, Respiri subsequently received two further grants from the OCS totalling USD\$307,047 to assist in the funding of ongoing R&D work.

The terms of the OCS grant scheme specify that should technologies be developed with the direct assistance of a grant, and be commercialised, and generate sale revenue for the company, a royalty of between 3% - 3.5% of the associated sales revenue will be paid to the OCS until that OCS grant(s) amount, plus applicable interest applied to that grant(s) amount (based on LIBOR) has been repaid

Note 6 – Other Borrowings

	31 December 2019	30 June 2019
	\$ AUD	\$ AUD
Opening Balance	806,442	-
Add: Loan drawdown ¹	1,080,146	800,000
Add: Capitalised Interest	72,810	6,442
Less: Repayments	(1,477,084)	-
Closing Balance	482,314	806,442

1. The short term R&D credit loan facility of \$1.4 million provided by FundSquire based on 80% of expected FY2019 R&D tax refund at interest rate of 1.35% per month has been fully drawn and paid off in the Dec 19 HY period. A new loan facility of \$480,145.60 was drawn down in Dec 19 based on 80% of the expected HY2020 R&D tax refund. The new loan facility has an interest rate of 1.75% per month.

Note 7 – Issued Capital

	31 December 2019		30 June 2019	
	No.	\$ AUD	No.	\$ AUD
Fully Paid Ordinary Shares				
Balance at beginning of year	525,883,098	106,043,361	473,383,224	102,332,258
Shares issued during the year	33,500,000	3,350,000	52,499,874	4,199,990
Shares cancelled during year	(3,125,000)	(250,000)	-	-
Transactions costs relating to share issues	-	(324,071)	-	(488,887)
Total Issued Capital	556,258,098	108,819,290	525,883,098	106,043,361

Note 7 – Issued Capital (Continued)

During the Half Year ended 31 December 2019, the Company issued the following securities:

Date	Details	No.	Issue Price \$ AUD	Total Value \$ AUD
8 Aug 19	Placement of fully paid ordinary shares to certain professional and sophisticated investors as per the Company's ASX announcement on 13 th August 2019.	33,000,000	0.100	3,300,000
10 Dec 19	Issue of shares to former director following shareholder approval as per the Company's ASX announcement on 9 th December 2019.	500,000	0.100	50,000
		33,500,000		3,350,000

During the Half Year ended 31 December 2019, the Company cancelled the following securities:

Date	Details	No.	Issue Price \$ AUD	Total Value \$ AUD
20 Dec 19	Shares issued in lieu of payment to key supplier cancelled as per the Company's announcement on 20 th December 2019.	3,125,000	0.080	250,000
		3,125,000		250,000

Note 8 - Reserves

	31 December 2019		30 June 2019	
	No.	\$ AUD	No.	\$ AUD
Options				
Balance at beginning of year	59,000,000	1,906,000	30,000,000	346,414
Unlisted Options issued during the year	-	-	15,000,000	277,795
Adjustment for Options Issued in prior period	-	-	14,000,000	934,438
Lapse of options due to nil exercise	(10,000,000)	(217,103)	-	347,353
Unvested options	(24,000,000)	(198,393)	-	-
Total Option Reserve	25,000,000	1,490,504	59,000,000	1,906,000
FX Reserve				
Balance at beginning of year	-	(315,524)	-	(305,904)
Other comprehensive income for the year, net of tax	-	(7,582)	-	(9,620)
Total FX Reserve	-	(323,106)	-	(315,524)
Total Reserves	25,000,000	1,167,398	59,000,000	1,590,476

Note 8 – Reserves (Continued)

During the Half Year ended 31 December 2019 the following securities were unvested/expired:

Date	Details	No.	Option fair value \$ AUD	Total Value \$ AUD
Unlisted Options				
25 Oct 19	Issue to CEO under Employee Share Option Plan (ESOP) on 19 th December 2017 unvested following resignation	14,000,000	0.0137	191,485
13 Dec 19	Issue to other Key Management Personnel under Employee Share Option Plan (ESOP) on 7 th June 2019 unvested following resignation	10,000,000	0.0007	6,908
30 Nov 19	Options issued to former directors on 20 th December 2016 expired	10,000,000	0.0217	217,103
			34,000,000	415,496

Note 9 - Loss per Share

	31 December 2019	31 December 2018
Basic loss per share (cents)	(0.26)	(0.65)
Diluted loss per share (cents)	(0.26)	(0.65)
a) Net loss used in the calculation of basic and diluted loss per share	(1,421,896)	(3,102,358)
b) Weighted average number of ordinary shares outstanding during the period used in the calculation of basic and diluted loss per share	551,923,859	475,737,164
c) Potential ordinary shares, including options, are excluded from the weighted average number of shares used in the calculations of basic loss per share. Potential ordinary shares are not considered to be dilutive because the conversion of potential ordinary shares into ordinary shares would decrease the basic loss per share.		

Note 10 - Events Subsequent to Reporting Date

Other than as disclosed above no matters or circumstances have arisen since the end of the reporting period which significantly affects the operations of the Group, results of these operations, or the state of affairs of the Group in future financial periods.

Respiri Limited
Directors' Declaration

The Directors of the Company declare that:

- a. In the directors' opinion, there are reasonable grounds to believe the Group will be able to pay its debts as and when they become due and payable; and
- b. In the directors' opinion, the attached financial statements and notes thereto are in accordance with the Corporations Act 2001, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the consolidated entity

Signed in accordance with a resolution of the directors made pursuant to s.303(5) of the *Corporations Act 2001*

On behalf of the Directors



Mr Nicholas Smedley
Executive Chairman

Dated this the 19th Day of February 2020
Melbourne, Australia

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INDEPENDENT AUDITOR'S REVIEW REPORT

To the Members of Respiri Limited

We have reviewed the accompanying half-year financial report of Respiri Limited which comprises the consolidated statement of financial position as at 31 December 2019, 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 half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Directors' Responsibility for the Half-Year Financial Report

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

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2019 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Respiri Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Respiri Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the half-year financial report, which indicates the consolidated entity incurred a net loss of \$1,421,896 and had net cash outflows from operating activities of \$1,905,077 for the half-year ended 31 December 2019. As at that date the consolidated entity had net current liabilities of \$425,420 and net liabilities of \$414,646. As stated in Note 1, these conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the consolidated entity's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Respi Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2019 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.



RSM AUSTRALIA PARTNERS



B Y CHAN
Partner

Dated: 19 February 2020
Melbourne, Victoria

Respiri Limited

Corporate Directory

AUSTRALIAN COMPANY NUMBER (ACN)

009 234 173

DIRECTORS

Mr Marjan Mikel

Mr Nicholas Smedley

Dr Thomas Duthy

Professor Bruce Thompson

Mr Ross Blair-Holt

Mr Mario Gattino

COMPANY SECRETARY

Mr Alastair Beard

PRINCIPAL PLACE OF BUSINESS

Level 27, 101 Collins Street
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AUSTRALIA 3000
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SHARE REGISTRY

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Yarra Falls
452 Johnston Street
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Australia
Telephone: +61 (0)3 9415 4000
Facsimile: +61 (0)3 9473 2500

AUDITORS

RSM Australia Partners
Level 21, 55 Collins Street
Melbourne, Victoria, 3000
Australia

WEBSITES

www.respiri.co
www.wheezo.com

SECURITIES QUOTED

Australian Securities Exchange

- Ordinary Fully Paid Shares (ASX Code: RSH)

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

CEO and Executive Director (Appointed as CEO on 2nd December 2019, Appointed as Director on 25th November 2019)

Executive Chairman (Appointed as Director on 30th November 2018, Elected as Chairman on 15th November 2019)

Non-Executive Director (Appointed on 11th February 2020)

Non-Executive Director (Appointed on 27th November 2018, resigned on 10th February 2020)

Non-Executive Chairman (Resigned on 15th November 2019)

CEO and Executive Director (Resigned on 25th October 2019)

REGISTERED OFFICE

Level 10, 446 Collins Street
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AUSTRALIA 3000
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BANKERS

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330 Collins Street,
Melbourne, Victoria, 3000
Australia