



25th January 2023

December 2022 Quarterly Cash Flow and Quarterly Activities Report

Respiri Limited (ASX:RSH) (“Respiri” or the “Company”), an eHealth SaaS Company supporting respiratory health management, announces the Appendix 4C quarterly cash flow and activities report for the 3-month period ended 31 December 2022.

Operating Highlights

Respiri’s operational and investment strategies continue to be focussed on the commercialisation of the Company’s respiratory device, wheezo®, used to deliver reimbursed remote patient monitoring (RPM) patient services in the US market. Throughout the December quarter, Respiri delivered three further agreements, via our Access Telehealth US-based partner taking the number of RPM contracted healthcare organisations to six.

Minnesota Lung Center (MLC), established in 1974 to provide comprehensive specialty care for people with respiratory health needs, contracted with Access Telehealth to provide the wheezo® Remote Patient Monitoring (RPM) program which is the first RPM service to be offered by MLC to patients, intended to improve patient management and drive better health outcomes and quality of life. Patient enrolment into the program has commenced.

Respiri also announced the agreement between Access Telehealth and Arkansas Heart Hospital (AHH) for the use of wheezo® Remote Patient Monitoring (RPM) as an addition to standard of care for Cardiovascular Disease (CVD) patients with co-morbid Chronic Obstructive Pulmonary Disease (COPD). AHH was founded in 1997 by a group of patient-centric cardiologists and is one of the largest private cardiovascular healthcare organisations in the USA, providing almost 22,000 annual patient days of care. Patient enrolment into the program has begun.

Respiri also announced the selection of wheezo® RPM solution by a primary care practice in New Mexico, USA. Respiri’s RPM partner, Access Telehealth, will provide a full RPM solution that includes the Remotli platform, patient engagement and remote monitoring to these patients under the supervision of the Hand Family Healthcare clinical team.

Respiri has now secured healthcare customers located in six different states in the USA that treat and manage diverse patient groups, including both adult and paediatric patients living with asthma, patients living with COPD, patients living with COPD with underlying cardiovascular disease and primary care patients demonstrating the broad clinical appeal of the wheezo® RPM program.

With a strong business development pipeline, Respiri anticipates further announcements regarding healthcare organisation contracts, with both the Company Chief Executive Officer and Chief Commercial Officer planning to be in the US to join Respiri’s US based RPM partners and maintain the Company strong commercial progress.

Given the business development success realised in the USA with our RPM partners, the Company is very much invested in ensuring that patient onboarding with existing clients is accelerated and that all systems and processes are capable of handling the scale of patients that is anticipated to grow in 2023. Human, device and platform resources are in place to ensure Respiri and partners have the necessary economies required to accommodate this anticipated patient scaling development in the USA commercial plan that will drive device and recurring patient revenues moving into the future.

The Respiro Company Centre of Digital Innovation Excellence in the Philippines is now fully operational and has taken over all software engineering responsibilities. The key software engineering deliverables focus for the quarter included:

- further development of the SaaS platform to provide a better user experience for patients and health care professions in the US market;
- and the development of capabilities to meet the needs of the clinical study at Kings College London, and other clinical study partners in the UK.

Key software engineering productivity activity for the quarter included: handover of software development responsibilities from the previous IT outsourcing organisation to the Respiro team based in the Philippines; establishment of an Agile software development process to improve cross functional collaboration from product, UX and software engineering; and securing a team culture focused on technology innovation and delivery. Throughput of software has improved significantly since the onboarding of the Respiro Philippines team.

The Respiro product development team continue to work on the wearable device, Sorfe and progress is in line with development milestones. First version of the algorithm is developed to process physiological data and calculate the parameters used in continuous overnight monitoring of asthma/COPD symptoms successfully. The team is working on developing the infrastructure allowing real time display of physiological data which will be used as real time alerts to treating healthcare professionals and the patient. Clinical collaboration with a number of blue-chip institutions in the USA and UK have been secured and are being finalised which will see Key Opinion Leader pulmonologists contribute to ongoing development and clinical utility. These will be subject to future announcements once details are finalised.

The device will not replace wheezo® but bolster the Respiro portfolio by providing a solution to monitor nocturnal asthma, hospital transition care (remotely monitoring patients discharged from hospital and sent home) and others. The Company anticipates starting preliminary clinical studies with Sorfe in March/April 2023.

As previously announced, Respiro secured the services of leading Key Opinion Leader (KOL) pulmonologist and intensivist Dr William Krinsky who has extensive patient management and clinical experience in respiratory disorders and also experience in medical device development and commercialisation. In his role as Chairman of the Respiro US Medical Advisory Board (MAB), Dr Krinsky has finalised physician membership and details on this MAB will be announced when completed.

Respiro management continues to explore initiatives to further optimise cash resources of the Company with savings redirected into onboarding patients in the US. The Company initiated a \$1.5m underwritten Securities Purchase Plan in December that will allow the Company to continue its commercialisation of the wheezo® device in the USA as well as continue development work on the wearable device for broader use in the medical industry.

Corporate & Financial Highlights

During the quarter, the Company announced a \$1.5 million underwritten securities purchase plan to further support its expansion into the US and enable the Company to execute on its commercialisation strategy. Separately, Respiro raised \$0.86 million in equity in the current quarter completing the previously announced October 2022 placement. Further, the Company received a research and development grant of \$0.55 million in October and an export market and development grant of \$0.036 million in November. Operating cash outflows of \$1.2 million for the quarter were consistent with the previous quarter.

Research and development expenditures of \$0.4 million increased by \$0.2 million due to both additional software development work carried out in the quarter and transitioning to the Company Centre of Digital Innovation Excellence in the Philippines.

Product and manufacturing costs of \$0.09 million (\$0.09 million September 22 quarter) were consistent with the previous quarter.

Advertising and marketing costs of \$0.03 million decreased by \$0.04 million compared to the previous quarter reflecting the shift towards distribution partners in the US.

Staff costs of \$0.6 million increased by \$0.02 million compared to the September 2022 quarter due to the timing of settlement of taxes and superannuation obligations. Administration and corporate costs of \$0.7 million were up 45% compared to the September quarter due to increased spend on US related travel, in addition to timing of payments.

The Company closed the quarter with cash and cash equivalents of \$0.23 million and \$2.8m of finished goods inventory and prepaid materials.

Payments to related parties of \$0.24 million, consisted of fees payable to the Executive and Non-Executive Directors of the Company.

The Appendix 4C cash flow report is attached below.

- ENDS -

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This ASX announcement has been authorised for release by the Board of Directors of Respiri Limited.

About Respiri Limited

Respiri is an e-Health SaaS company supporting respiratory health management. Its world-first technology detects wheeze, a typical symptom of asthma, COPD and respiratory disease to provide an objective measure of airway limitation. wheezo[®], Respiri's innovative technology, comprises an eHealth app combined with a simple, easy to use, handheld device. wheezo[®] is the first smart device to help improve asthma management by monitoring wheeze and documenting symptoms, signs, triggers, weather conditions and medication use. The asthma management platform also facilitates the sharing of data with caregivers, physicians and other health care professionals.

Respiri's mission is to help improve quality of life for hundreds of millions of children and adults around the world and dramatically reduce hospital admissions and the economic burden of asthma. Respiri Limited's operations are based in Melbourne, Australia.

For additional information about Respiri and its products, please visit www.respiri.co

About wheezo[®]

Developed in Australia, with the support of healthcare professionals, the innovative wheezo[®] device analyses breath sounds for wheeze, and the mobile App assists patients with managing their asthma by tracking symptoms, triggers, medication use and geo-specific weather conditions. The platform has been designed to extend asthma management

beyond the clinic and make it easy to share information with doctors and make appropriate clinical decisions. Better active management may lead to better outcomes and improved quality of life for end users.

For further information about wheezo, follow the online link <https://wheezo.com>

® wheezo is a trademark of Respi Limited.

Forward Looking Statements

Certain statements made in this announcement are forward-looking statements. These forward-looking statements are not historical facts but rather are based on Respi current expectations, estimates and projections about the industry in which Respi operates, and its beliefs and assumptions. Words such as "anticipates," "expects," "intends," "plans," "believes," "seeks," "estimates," "guidance" and similar expressions are intended to identify forward looking statements and should be considered an at-risk statement. Such statements are subject to certain risks and uncertainties, particularly those risks or uncertainties inherent in the process of developing technology and in the endeavour of building a business around such products and services. These statements are not guarantees of future performance and are subject to known and unknown risks, uncertainties and other factors, some of which are beyond the control of Respi, are difficult to predict and could cause actual results to differ materially from those expressed or forecasted in the forward-looking statements. Respi cautions shareholders and prospective shareholders not to place undue reliance on these forward-looking statements, which reflect the view of Respi only as of the date of this release. The forward-looking statements made in this announcement relate only to events as of the date on which the statements are made. Respi will not undertake any obligation to release publicly any revisions or updates to these forward-looking statements to reflect events, circumstances or unanticipated events occurring after the date of this announcement except as required by law or by any appropriate regulatory authority.

Appendix 4C

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

Name of entity

Respiri Limited (ASX: RSH)

ABN

98 009 234 173

Quarter ended ("current quarter")

31 December 2022

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	10	10
1.2 Payments for		
(a) research and development	(408)	(633)
(b) product manufacturing and operating costs	(97)	(190)
(c) advertising and marketing	(26)	(96)
(d) leased assets	-	-
(e) staff costs	(586)	(996)
(f) administration and corporate costs	(688)	(1,162)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	1	1
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	587	587
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(1,207)	(2,479)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	(2)	(13)
(d) investments	-	-
(e) intellectual property	-	-
(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(2)	(13)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	859	1,615
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(96)	(96)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings - Fundsquire	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other	-	1
3.10	Net cash from / (used in) financing activities	763	1,520

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	692	1,220
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,207)	(2,479)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(2)	(13)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	763	1,520
4.5	Effect of movement in exchange rates on cash held	(16)	(18)
4.6	Cash and cash equivalents at end of period	230	230

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	230	692
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	230	692

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	261
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
Fees of Executive Director and Non-Executive Directors (excluding GST)		

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

7. Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i>		
<i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 Total financing facilities	-	-
7.5 Unused financing facilities available at quarter end		-
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(1,207)
8.2 Cash and cash equivalents at quarter end (item 4.6)	230
8.3 Unused finance facilities available at quarter end (item 7.5)	-
8.4 Total available funding (item 8.2 + item 8.3)	230
8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)	0.2
8.6 If item 8.5 is less than 2 quarters, please provide answers to the following questions:	
8.6.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer: Yes. The company continues to establish its footprint in the US medical market and commercialise the wheezo device as it rolls out the wheezo RMP program to new healthcare organisations and medical institutions, as well as continue research and development activity of the company's respiratory detection device.	
8.6.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer: As announced to the market on 28 December 2022, there is an underwritten \$1.5m securities purchase plan (SPP) with such equity raised being used to continue R&D and commercialisation of the respiratory detection device.	

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

Answer: The company expects to continue its operations and meet its business objectives using the equity raised under the SPP.

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

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 25th January 2023

Authorised by: By the Board of Respiri Limited

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.