

First primary care specialty practice for wheezo®/Access RPM program

Respiri has announced that the wheezo® and Access Telehealth remote patient monitoring (RPM) program has been selected by a primary care practice in Georgia, USA, for the ongoing management of asthma patients. This represents the first primary care practice win for Respiri, which now has customers in five US states.

Full-service model for asthma patients

The Medical Center of Conyers, located outside Atlanta, Georgia, is an established practice that provides ongoing healthcare services to thousands of asthma patients. The first patients have already started on the wheezo® RPM program, to be delivered through Access Telehealth. The program will include the full-service premium model with patient engagement through the cloud-based Remotli platform under the supervision of family care physicians.

Revenues from device sales, ongoing service

Respiri will generate revenue from device sales (US\$50–60 per device) and a monthly patient fee of US\$10–20 (depending on the service level provided by Access).

Reimbursements to start soon

RPM Current Procedural Terminology (CPT) reimbursement claims will be processed within the next two months through the Centers for Medicare and Medicaid Services (CMS) and private insurers.

Healthcare organisation customers now span five US states with different focus areas

Respiri’s healthcare organisation customers are now located in five different states, and include paediatric and elderly patients, primary care patients, and those with conditions including COPD, asthma, respiratory complications, and cardiovascular disease with COPD comorbidities.

Valuation: fair value unchanged at A\$0.15/share

Our valuation uses DCF and incorporates shares on issue of 801.2m. We expect further announcements of RPM wins to represent share price catalysts, and note that Respiri has indicated that the company is in advanced discussions with a number of other potential wheezo® RPM customers. Key risks: adoption of wheezo® by clinicians, supply chain disruptions to components in manufacturing, integration of wheezo® into hospital electronic medical record systems.



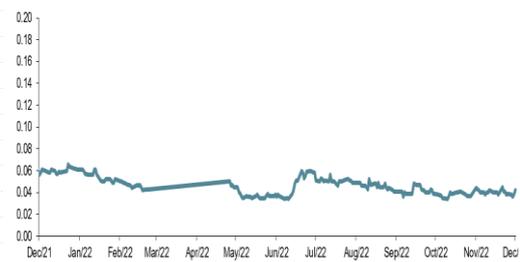
Respiri Limited is a commercial stage health-tech company developing mHealth and SaaS solutions for respiratory health management. It has proprietary technology and mobile health tools that specifically detect wheeze (an indicator of asthma, COPD, and respiratory disease more broadly) to provide an objective measure of airflow limitation. The company’s flagship wheezo® device and platform analyses breathing objectively, allowing for environmental factors; records, monitors and schedules medication including reminders; and shares data with healthcare providers. Both CE (Conformité Européene) mark and Therapeutic Goods Administration approval have been received.

Stock	RSH.ASX
Price	A\$0.04
Market cap	A\$33m
Valuation	A\$0.15 (unchanged)

Company data	
Net cash	A\$0.7m (30 Sept 2022)
Shares on issue	801.2m

Next steps	
December 2022	First reimbursements
1HCY23	More US RPM client wins

RSH.ASX share price (A\$)



Source: FactSet.

Chris Kallos, CFA
chris.kallos@mstaccess.com.au

Financials

Exhibit 1: Financial summary

Respiri						RSH-AU							
Year end 30 June, AUD unless otherwise noted													
MARKET DATA						12-MONTH SHARE PRICE PERFORMANCE (A\$)							
Price	\$	0.04											
52 week high / low	\$	0.03-0.07											
Valuation	\$	0.15											
Market capitalisation	\$m	33.7											
Shares on issue (basic)	m	801.2											
Options / rights	m	3.0											
Other equity	m	0.0											
Shares on issue (diluted)	m	804.2											
INVESTMENT FUNDAMENTALS												PROFIT AND LOSS	
Reported NPAT	\$m	FY19A	FY20A	FY21A	FY22A	FY23E	Revenue	\$m	FY19A	FY20A	FY21A	FY22A	FY23E
Underlying NPAT	\$m	(8.5)	(7.3)	(11.0)	(6.6)	(3.4)	Other income	\$m	1.0	2.2	1.2	0.5	0.6
Reported EPS (diluted)	¢	(169.0)	(127.0)	(158.0)	(90.9)	(42.8)	Total Revenue	\$m	1.0	2.2	1.4	0.8	3.7
Underlying EPS (diluted)	¢	(169.0)	(127.0)	(158.0)	(90.9)	(42.8)	Operating expenses	\$m	(12.4)	(6.6)	(5.9)	(6.7)	(5.9)
Growth	%		-24.9%	24.4%	-42.5%	-52.9%	EBITDA	\$m	(8.5)	(7.3)	(11.0)	(6.5)	(3.4)
Underlying PER	x	nm	nm	nm	nm	nm	Depreciation & Amortisation	\$m	0.0	0.0	0.1	0.1	0.0
Operating cash flow per share	¢	(1.3)	(0.8)	(1.0)	(1.2)	(0.7)	EBIT	\$m	(8.5)	(7.3)	(11.0)	(6.6)	(3.4)
Free cash flow per share	¢	(1.3)	(0.8)	(1.1)	(1.2)	(0.7)	Net interest	\$m	0.0	0.0	0.0	0.0	0.0
Price to free cash flow per share	x	nm	nm	nm	nm	nm	Pretax Profit	\$m	(8.5)	(7.3)	(11.0)	(6.6)	(3.4)
FCF Yield	%	nm	nm	nm	nm	nm	Tax expense	\$m	0.0	0.0	0.0	0.0	0.0
Dividend	¢	0.0	0.0	0.0	0.0	0.0	Reported NPAT	\$m	(8.5)	(7.3)	(11.0)	(6.6)	(3.4)
Payout	%	0.0%	0.0%	0.0%	0.0%	0.0%	Weighted average diluted shares						
Yield	%	0.0%	0.0%	0.0%	0.0%	0.0%	m	499.1	570.1	699.1	728.6	801.2	
Franking	%	0.0%	0.0%	0.0%	0.0%	0.0%	GROWTH PROFILE						
Enterprise value	\$m	34.2	30.8	25.7	32.4	32.8	Revenue	%	FY19A	FY20A	FY21A	FY22A	FY23E
EV/EBITDA	x	(4.0)	(4.2)	(2.3)	(5.0)	(9.6)	EBITDA	%	17.3	114.0	(34.9)	(46.3)	383.5
EV/EBIT	x	(4.0)	(4.2)	(2.3)	(4.9)	(9.5)	EBIT	%	173.6	(14.4)	51.2	(40.3)	(48.0)
Price to book (NAV)	x	(14.1)	12.1	4.0	10.6	7.4	Reported NPAT	%	163.1	(14.4)	52.0	(39.9)	(48.2)
Price to NTA	x	(14.1)	12.1	4.0	10.6	7.4	DPS	%	164.2	(14.3)	52.1	(40.0)	(48.2)
KEY RATIOS						BALANCE SHEET							
EBITDA margin	%	nm	nm	nm	nm	nm	Cash	\$m	FY19A	FY20A	FY21A	FY22A	FY23E
EBIT margin	%	nm	nm	nm	nm	nm	Receivables	\$m	0.3	3.6	8.0	1.2	0.9
NPAT margin	%	nm	nm	nm	nm	nm	Other	\$m	0.2	0.0	0.1	0.1	1.3
ROE	%	nm	nm	nm	nm	nm	Current assets	\$m	0.5	0.9	0.8	2.9	2.9
ROA	%	nm	nm	nm	nm	nm	PPE	\$m	1.0	4.4	8.9	4.1	5.0
Net tangible assets per share	\$	(0.0)	0.0	0.0	0.0	0.0	Intangible assets	\$m	0.0	0.2	0.2	0.1	0.1
Book value per share	\$	(0.0)	0.0	0.0	0.0	0.0	Other	\$m	0.0	0.0	0.0	0.0	0.0
Net debt/(cash)	\$m	0.5	(2.8)	(8.0)	(1.2)	(0.9)	Non current assets	\$m	0.0	0.2	0.2	0.1	0.1
Interest cover/ (EBIT/net interest)	x	nm	nm	nm	nm	nm	Total assets	\$m	0.0	0.2	0.2	0.1	0.1
Gearing (net debt/EBITDA)	x	(0.1)	nm	nm	nm	nm	Trade and other payables	\$m	1.0	4.6	9.1	4.2	5.1
Leverage (net debt/(net debt + equity))	x	(0.5)	nm	nm	nm	nm	Borrowings	\$m	2.6	2.1	1.5	1.2	0.6
DUPONT ANALYSIS						Net current liabilities							
Net Profit Margin	%	nm	nm	nm	nm	nm	Other financial liability	\$m	2.6	2.1	1.5	1.2	0.6
Asset Turnover	x	0.0	0.0	0.0	0.1	0.6	Other liability	\$m	0.0	0.1	0.1	0.0	0.0
Return on Assets	%	nm	nm	nm	nm	nm	Non current liabilities	\$m	0.0	0.1	0.1	0.0	0.0
Financial Leverage	x	(516.1)	287.5	0.0	0.0	0.0	Total liabilities	\$m	2.6	2.1	1.5	1.2	0.6
Return on Equity	%	nm	nm	nm	nm	nm	Net assets	\$m	(1.6)	2.5	7.6	3.0	4.6
KEY PERFORMANCE INDICATORS						Share capital							
Wheezo	Key metrics	FY19A	FY20A	FY21A	FY22A	FY23E	Share capital	\$m	106.0	113.7	127.1	128.8	133.8
Australia	Under review						Retained earnings	\$m	(109.2)	(115.3)	(126.3)	(133.3)	(136.7)
United States	Partnering deals, clinical adoption and CMS reimbursement claims						Other	\$m	1.6	4.1	6.8	7.5	7.5
United Kingdom	Clinical trials and rendered data						Total equity	\$m	(1.6)	2.5	7.6	3.0	4.6
Europe	Partnering and access to reimbursed markets						CASH FLOW						
HALF YEARLY DATA						Net loss for period							
Total Revenue	\$m	2H20	1H21	2H21	1H22	2H22	Net loss for period	\$m	FY19A	FY20A	FY21A	FY22A	FY23E
Operating expenses	\$m	0.1	1.2	0.0	0.7	0.1	Depreciation & Amortization	\$m	(8.5)	(7.3)	(11.0)	(6.6)	(3.4)
EBITDA	\$m	(5.9)	(6.0)	(3.8)	(3.5)	(3.8)	Changes in working capital	\$m	0.0	0.0	0.1	0.1	0.0
EBIT	\$m	(5.8)	(6.4)	(4.8)	(2.8)	(3.7)	Other	\$m	0.3	(0.8)	0.1	0.0	0.0
PBT	\$m	(5.8)	(6.4)	(4.8)	(2.9)	(3.8)	Operating cash flow	\$m	1.8	3.4	3.5	(1.9)	(1.9)
Reported NPAT	\$m	(5.8)	(6.4)	(4.8)	(2.8)	(3.8)	Investing cash flow	\$m	(6.4)	(4.7)	(7.3)	(8.5)	(5.3)
						Payments for PPE							
						\$m (0.0) (0.0) (0.1) (0.0) (0.1)							
						Other							
						\$m 0.0 0.0 0.0 0.0 0.0							
						Equity							
						\$m 3.7 8.5 12.4 1.7 5.0							
						Other							
						\$m 0.6 (0.6) (0.6) (0.0) 0.0							
						Financing cash flow							
						\$m 4.3 8.0 11.8 1.6 5.0							
						Cash year end							
						\$m 0.3 3.6 8.0 1.2 0.9							
						Free cash flow							
						\$m (6.4) (4.7) (7.4) (8.5) (5.3)							

Source: Company reports, MST Access estimates.

Disclaimers and Disclosures

MST Access is a registered business name of MST Financial Services Pty Ltd (ACN 617 475 180 "MST Financial") which is a limited liability company incorporated in Australia on 10 April 2017 and holds an Australian Financial Services Licence (Number: 500 557). This research is issued in Australia through MST Access which is the research division of MST Financial. The research and any access to it, is intended only for "wholesale clients" within the meaning of the Corporations Act 2001 of Australia. Any advice given by MST Access is general advice only and does not take into account your personal circumstances, needs or objectives. You should, before acting on this advice, consider the appropriateness of the advice, having regard to your objectives, financial situation and needs. If our advice relates to the acquisition, or possible acquisition, of a financial product you should read any relevant Product Disclosure Statement or like instrument.

This report has been commissioned by Respiri Limited and prepared and issued by Chris Kallos of MST Access in consideration of a fee payable by Respiri Limited. MST Access receives fees from the company referred to in this document, for research services and other financial services or advice we may provide to that company

MST Financial also provides equity capital markets ("ECM") and corporate advisory services through its capital markets division, MST Capital Markets ("MST Capital"). MST Capital provides these services to a range of companies including clients of the MST Access service. As such, MST Capital may in future provide ECM and/or corporate advisory services to the company that is the subject of this research report and, accordingly, may receive fees from the company for providing such services. [ECM SPECIFIC DISCLAIMER]: The Company that is the subject of this report has, within the last 12 months, engaged MST Capital to provide ECM and/or Corporate Advisory services. However, MST Financial has measures in place to ensure the independence of its research division is maintained, including information barriers between its Capital Markets and Research teams. In addition, neither MST Access, nor any of its research analysts, receive any financial benefit that is based on the revenues generated by MST Capital Markets or any other division of MST Financial.

The analyst has received assistance from the company in preparing this document. The company has provided the analyst with communication with senior management and information on the company and industry. As part of due diligence, the analyst has independently and critically reviewed the assistance and information provided by the company to form the opinions expressed in the report. Diligent care has been taken by the analyst to maintain an honest and fair objectivity in writing this report and making the recommendation. Where MST Access has been commissioned to prepare content and receives fees for its preparation, please note that NO part of the fee, compensation or employee remuneration paid will either directly or indirectly impact the content provided.

Accuracy of content: All information used in the publication of this report has been compiled from publicly available sources that are believed to be reliable, however we do not guarantee the accuracy or completeness of this report and have not sought for this information to be independently certified. Opinions contained in this report represent those of MST Access at the time of publication. Forward-looking information or statements in this report contain information that is based on assumptions, forecasts of future results and estimates of amounts not yet determinable, and therefore involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of their subject matter to be materially different from current expectations.

Exclusion of liability: To the fullest extent allowed by law, MST Access shall not be liable for any direct, indirect or consequential losses, loss of profits, damages, costs or expenses incurred or suffered by you arising out or in connection with the access to, use of or reliance on any information contained in this report. No guarantees or warranties regarding accuracy,

completeness or fitness for purpose are provided by MST Access, and under no circumstances will any of MST Financials' officers, representatives, associates or agents be liable for any loss or damage, whether direct, incidental or consequential, caused by reliance on or use of the content.

General Advice Warning

MST Access Research may not be construed as personal advice or recommendation. MST encourages investors to seek independent financial advice regarding the suitability of investments for their individual circumstances and recommends that investments be independently evaluated. Investments involve risks and the value of any investment or income may go down as well as up. Investors may not get back the full amount invested. Past performance is not indicative of future performance. Estimates of future performance are based on assumptions that may not be realised. If provided, and unless otherwise stated, the closing price provided is that of the primary exchange for the issuer's securities or investments. The information contained within MST Access Research is published solely for information purposes and is not a solicitation or offer to buy or sell any financial instrument or participate in any trading or investment strategy. Analysis contained within MST Access Research publications is based upon publicly available information and may include numerous assumptions. Investors should be aware that different assumptions can and do result in materially different results.

MST Access Research is distributed only as may be permitted by law. It is not intended for distribution or use by any person or entity located in a jurisdiction where distribution, publication, availability or use would be prohibited. MST makes no claim that MST Access Research content may be lawfully viewed or accessed outside of Australia. Access to MST Access Research content may not be legal for certain persons and in certain jurisdictions. If you access this service or content from outside of Australia, you are responsible for compliance with the laws of your jurisdiction and/or the jurisdiction of the third party receiving such content. MST Access Research is provided to our clients through our proprietary research portal and distributed electronically by MST to its MST Access clients. Some MST Access Research products may also be made available to its clients via third party vendors or distributed through alternative electronic means as a convenience. Such alternative distribution methods are at MST's discretion.

Access and Use

Any access to or use of MST Access Research is subject to the [Terms and Conditions](#) of MST Access Research. By accessing or using MST Access Research you hereby agree to be bound by our Terms and Conditions and hereby consent to MST collecting and using your personal data (including cookies) in accordance with our [Privacy Policy](#) (<https://mstfinancial.com.au/privacy-policy/>), including for the purpose of a) setting your preferences and b) collecting readership data so we may deliver an improved and personalised service to you. If you do not agree to our Terms and Conditions and/or if you do not wish to consent to MST's use of your personal data, please do not access this service.

Copyright of the information contained within MST Access Research (including trademarks and service marks) are the property of their respective owners. MST Access Research, video interviews and other materials, or any portion thereof, may not be reprinted, reproduced, sold or redistributed without the prior written consent of MST

Level 13, 14 Martin Place, Sydney, NSW 2000

Main +61 2 8999 9988

www.mstfinancial.com.au