

TARGET MARKET DETERMINATION

MADE BY:	Respiri Limited ACN 009 234 173 of Suite 1, Level 9, 432 St Kilda Road Melbourne VIC 3004 (RSH or the Company)
PRODUCT:	<p>Free attaching options (SPP Options) to acquire fully paid ordinary Shares in the capital of the Company (Shares) that are to be issued (subject to Shareholder approval, if required) on the basis of 1 SPP Option for every 2 Shares (SPP Shares) issued under the RSH securities purchase plan (SPP Offer) under a prospectus dated 29 June 2023 (Prospectus).</p> <p>Options issued as part consideration for lead manager services provided by Evolution Capital Pty Ltd (Lead Manager) in connection with the Shortfall Offer under the Prospectus (Lead Manager Options) (Lead Manager Option Offer) and options (Convertible Note Options) issued to Obsidian Global Partners, LLC (Convertible Note Investor) under the Convertible Note Offer. The Options include the SPP Options, Lead Manager Options and the Convertible Note Options).</p> <p>The SPP Offer, Lead Manager Option Offer and Convertible Note Offer are collectively referred to as the Offers.</p> <p>The Options are exercisable at \$0.065 each and expiring on 30 June 2025.</p>
EFFECTIVE DATE:	29 June 2023

1. Introduction

This target market determination (**TMD**) has been prepared pursuant to section 994B of the *Corporations Act* in relation to the offer of Options made by the Company under the Prospectus. The Prospectus was lodged with the Australian Securities and Investments Commission (**ASIC**) on 29 June 2023 and was released to ASX on that date. An electronic copy of the Prospectus can be accessed in the ASX announcements for the Company on ASX's website available at: <https://respiri.co/au/investor-centre/asx-announcements/>

As noted above, the SPP Options are to be issued under the SPP Offer (subject to shareholder approval, if required) as free securities attaching to SPP Shares issued under the SPP Offer on the basis of 1 SPP Option for every 2 SPP Shares issued under the SPP Offer. For the avoidance of doubt, SPP Options will not be issued other than as free securities attaching to the SPP Shares. Any SPP Shares (and corresponding SPP Options) not subscribed for under the SPP Offer will be offered to persons at the Company's absolute discretion, on the same terms as the SPP Offer (**Shortfall Offer**).

The Company is also offering the Lead Manager Options as part consideration for lead manager services provided by the Lead Manager and Convertible Note Options pursuant to the Convertible Note Offer.

The Offers will only be made under, or accompanied by, a copy of the Prospectus. Recipients of this TMD are only entitled to acquire Options under the Offers if they are Eligible Shareholders, if they are the Lead Manager (or its nominee) or if they are the Convertible Note Investor (or its nominee). Any recipient of this TMD should carefully read and consider the Prospectus in full and consult their

professional advisers if they have any questions regarding the contents of the Prospectus. Any recipient of this TMD who wishes to acquire Options under the Offer will need to complete the application form that will be in, or will accompany, the Prospectus. This TMD is not a disclosure document for the purposes of the *Corporations Act 2001* (Cth) and therefore has not been lodged, and does not require lodgement, with ASIC. This TMD is not to be treated as a full summary of the product terms and conditions and is not intended to provide financial advice. Investors should refer to the Prospectus for the terms and conditions of the product and when making a decision in respect of the product.

Unless otherwise defined in this TMD, capitalised terms have the meaning given to them in the Prospectus.

2. Product information

The key features of the Options are as follows:

Eligibility	The SPP Offer is proposed to be made at first instance to Eligible Shareholders, with the Company having discretion to place any shortfall from the SPP Offer as set out in the Prospectus. Eligible Shareholders are those shareholders of the Company with an address in Australia or New Zealand as at the Record Date (being 22 May 2023). Evolution Capital Pty Ltd as the Lead Manager (or its nominee), being the lead manager to the SPP Offer. Obsidian Global Partners, LLC as the Convertible Note Investor (or its nominee), being the subscriber for Convertible Notes and Convertible Note Options of the Company.
Share entitlement	Each Option entitles the Option holder to subscribe for, and be allotted, one ordinary Share in the capital of the Company. Shares issued on the exercise of Options will rank equally with all existing Shares on issue, as at the exercise date, and will be subject to the provisions of the Constitution of the Company and any escrow restrictions imposed on them by the ASX.
Exercise price	Each Option will confer on the holder the right to subscribe for one Share at an exercise price of \$0.065, exercisable on or before 30 June 2025. The offer of Options is subject to shareholder approval. An Option not exercised before the expiry date of 30 June 2025 will automatically lapse at that time. The Option will be exercisable at any time on or prior to the expiry date. Shares issued on exercise of the Options will rank equally in all respects with the then issued ordinary shares in the Company.
Expiry Date	30 June 2025 (Expiry Date)
Quotation	Application for Official Quotation of the Options offered pursuant to the Prospectus will be made within seven (7) days of the date of the Prospectus. If Official Quotation is not approved, the Options will be issued as unlisted options and Official Quotation may be sought at a later date.
Transferability	If the Options are quoted on ASX they will be transferable, subject to any restrictions under applicable law and any restriction or escrow arrangements imposed by ASX.

3. Target Market

The Options have been designed for investors whose likely objectives, financial situation and needs (as detailed below) are aligned with the product (including the key attributes) as set out in this section 3.

Class of investors within target market	<p>As the Options may be exercised at any time prior to the Expiry Date, the Company expects that an investment in the Options will be suitable to investors who wish to have the right, but not obligation, in the medium term to acquire the Company's Shares and have exposure to the Company's current and future products.</p> <p>The Options are for those who:</p> <ul style="list-style-type: none"> • are entitled to apply for them under the Prospectus; • seek leverage to profit from an appreciation in the market price of Shares in the Company, and/or who have a short to medium term view on the Shares or the underlying assets of the Company; and • who are accustomed to investing in speculative investments in the e-health sector. <p>Additionally those Options being issued to the Lead Manager and Convertible Note Investor are intended for a 'sophisticated' or 'professional' investor within the meanings of the those terms under the Corporations Act.</p>
Objectives, financial situation and needs	<p>The Options have been designed for individuals who the Company considers that an investment in the Options (including an investment in the Shares following the exercise of the Options) is highly speculative, such that an investment in the Company may be appropriate for an investor who would:</p> <ul style="list-style-type: none"> • be able to bear the loss of some or all of their investment. • has sufficient financial literacy and resources (including appropriate advisers) to understand and appreciate the potential risk of investing in the Company (including the Options) as an asset class generally and the more specific risks of investing in an ASX listed e-health entity; • not have a need to derive income from an investment in the Options; • have adequate means to provide for their current needs and other contingencies and to withstand a loss of their entire investment in the Options.
Investment timeframe	<p>The target market of investors will take a short to medium term outlook in relation to their investment in the Company and are in a financial position that is sufficient for them to invest their funds over the 2 year period from the issue of the Options to their expiry on 30 June 2025, should they wish to exercise their Options.</p>
Investor metrics	<p>While the Company does not have any specific eligibility framework for selecting investors, based on metrics such as; income, employment status, age or volatility and expected</p>

	<p>return, it is expected that the target market of investors will be able to withstand potential fluctuations in the value of their investment and those who wish to obtain optionality for exposure to the Company's targeted future growth.</p> <p>Only Eligible Shareholders, who are already investors in the Company and who participate in the SPP Offer (or Shortfall Offer), the Lead Manager and the Convertible Note Investor will be permitted to apply for Options.</p>
Risks	<p>The Company considers that an investment in the Options is high risk and speculative, such that an investment in the Company is not appropriate for an investor who would not be able to bear a loss of some or all of the investment.</p> <p>Investors should also have a sufficient level of financial literacy and resources (either alone or in conjunction with an appropriate adviser) to understand and appreciate the high risks of investing in Options as an asset class generally and the high risks of investing in the Company.</p>
Excluded class of consumers	<p>The product is not suitable for any persons who:</p> <ul style="list-style-type: none"> • is not currently an investor in the Company or any Shareholder that is not looking to increase their investment in the Company; • any investor who is ineligible to receive the Options; • inexperienced investors, especially those who do not understand the risks of investing in options as an asset class or in Shares; and • investors looking for immediate returns or those not seeking to have the potential to increase their investment in the Company.

The Company has assessed the Options and formed the view that the Options are likely to be consistent with the objectives, financial situation and needs of investors in the target market described in this section 3.

4. Distribution conditions

The offer Options under SPP Offer is made to Eligible Shareholders, being the registered holders of Shares in the Company at 7:00pm (AEST) on 22 May 2023 and whose address on the Company's Share register is in Australia or New Zealand, provided that such Shareholder:

- (a) is not in the United States, or acting for the account or benefit of a person in the United States; and
- (b) is eligible under all applicable securities laws to receive an offer under the SPP Offer.

The Lead Manager Options are to be issued to the Lead Manager (or its nominee(s)) and the Convertible Note Options are to be issued to the Convertible Note Investor.

A copy of the Prospectus and relevant application form will only be made available to the Eligible Shareholders, the Lead Manager (and/or its nominee(s) acceptable to the Company) and the Convertible Note Investor (and/or its nominee(s) acceptable to the Company) before they apply for Options.

The Company considers that these distribution conditions will ensure that persons who invest in Options fall within the target market in circumstances where personal advice is not being provided to those persons by the Company.

5. Review triggers

The Options are being offered for a limited offer period set out in the Prospectus. The Options will no longer be available for investment by way of issue following close of the offer period. Accordingly, this TMD applies between the commencement of the Offer of the Options and the issue of SPP Shares shortly after the close of the SPP Offer (**Offer Period**). To allow the Company to determine whether circumstances exist indicating this TMD is no longer appropriate to the Options, the following review triggers apply for the Offer Period:

- (a) there is a material change to the Options' key attributes that make it no longer consistent with the likely objectives, financial situation and needs of clients in the target market;
- (b) any event or circumstance occurs that materially changes a factor that was taken into account in making this TMD;
- (c) the existence of a significant dealing of the Options that is not consistent with this TMD;
- (d) the Company identifies a substantial divergence in how the Options are being distributed to the target market;
- (e) an unexpectedly high number of complaints are received from customers that indicate the Options are not suitable for the target market or the product is not being distributed to the target market;
- (f) ASIC raises concerns with the Company regarding the adequacy of the design or distribution of the Options or this TMD; and
- (g) there are material changes to the regulatory environment that applies to an investment in the Options.

The Company may also amend this TMD at any time.

6. Review period

If a review trigger occurs during the Offer Period, the Company will review this TMD in light of the review trigger as soon as reasonably practicable and, in any case, within 10 business days of the review trigger occurring.

The Company will otherwise complete a review of the TMD immediately prior to the issue of Options under the Prospectus.

Periodic reviews of the TMD will not occur during the Offer Period given its duration (subject to any decision to extend). If the Offer Period is extended for more than three months, the TMD will be reviewed on a monthly basis. The Company will otherwise complete a review of the TMD immediately prior to the issue of the Options under the Offers.

7. Reporting requirements

In the event that an external distributor is appointed to undertake retail product distribution of the Options, the following reporting requirements will apply:

Reporting requirement	Period for reporting to the Company by the distributor	Information to be provided
Whether the distributor received complaints about the Options.	<ul style="list-style-type: none"> For such time as the Offer Period remains open, within 10 business days after the end of each calendar month during the Offer Period. Within 10 business days after the end of the Offer Period. 	<ul style="list-style-type: none"> The number of complaints received. A summary of the nature of each complaint or a copy of each complaint.
A significant dealing of the Options that is not consistent with this TMD	As soon as reasonably practicable after the significant dealing occurs, but in any event no later than 10 business days after the significant dealing occurs.	<ul style="list-style-type: none"> Details of the significant dealing. Reasons why the distributor considers that the significant dealing is not consistent with this TMD.
A summary of the steps taken by the distributor to ensure that its conduct was consistent with this TMD.	Within 10 business days after the end of the close of the offer of Shares in accordance with the Prospectus.	A summary of the steps taken by the distributor to ensure that its conduct was consistent with this TMD.

Contact Details

For further information contact the Company Secretary, Andrew Metcalfe, by email at andrew.metcalfe@respiri.co.