

APPENDIX 4D

For the Half Year Ended 31 December 2018

Results for Announcement to the Market

Current Reporting Period - Half year ended 31 December 2018

Previous Reporting Period - Half year ended 31 December 2017

				31 Dec 2018		31 Dec 2017
Revenue	Up	17.46%	to	\$1,028,798	from	\$875,891
Loss after tax attributable to members	Up	296.26%	to	(\$3,102,358)	from	(\$782,909)
Net loss for the period attributable to members	Up	296.26%	to	(\$3,102,358)	from	(\$782,909)

Net Tangible Asset per Security (cents per security)	
As at 31 December 2018	0.29
As at 30 June 2018	0.35

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.

Explanation of the above information:

Refer to the Directors' Report - Review of Operations.

Approved Date: Tuesday, 26th February 2019

RESPIRI



ABN 98 009 234 173

Appendix 4D
Interim Financial Report
For the Half Year ended December 2018

To be read in conjunction with the 30 June 2018 Annual Report

In compliance with Listing Rule 4.2A

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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 2018 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.

Directors' Report *(Continued...)*

The Directors' of Respi Limited ("RSH", "Respi" or "the Group") provide the following Report on the consolidated entity consisting of Respi Limited and the entities it controlled for the half year ended 31 December 2018.

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 Mario Gattino	CEO and Executive Director
Mr Mark Ziirsen	Non-Executive Chairman (Resigned on 27 November 2018)
Mr Brendan Mason	Non-Executive Director (Resigned on 27 November 2018)
Mr Ross Blair- Holt	Non-Executive Chairman (Appointed as Director on 27 November 2018, Elected as Chairman on 18 December 2018)
Professor Bruce Thompson	Non-Executive Director (Appointed on 27 November 2018)
Dr Thomas Duthy	Non-Executive Director (Appointed on 24 October 2018 and Resigned on 27 November 2018)

PRINCIPAL ACTIVITIES

During the financial half-year the principal continuing activities of the consolidated entity consisted of research, development and commercialisation of medical devices, and the production of Mobile Health applications. There were no significant changes in the nature of the Group's principal activities during the Half Year.

REVIEW OF OPERATIONS

The Group's trend of optimising our revenue contribution continues with a 17.5% growth compared with the same half last year. The result reflects the Group's increasing ability to optimise the Research and Development Tax Incentive process and ensure payment is more aligned with the dates of the respective R&D activity, plus the ramping up of our development in the period towards the launch of wheezo™ reflected in our net cash outflow of \$2,156,672 (2017: \$499,240)

This previous half year represented a period of intense activity, achievement and change for the Group with featured highlights described below:

- Late stage cutting edge engineering and software development of the wheezo home monitoring device and smart app continued to be the Group's highest priority throughout the period, culminating in a functional medical device quality breath sensor prototype in September. Decision by Group that design phase was completed and this prototype in conjunction with the smart app would be subjected to the mandatory testing and compliance process that will form the basis of our wheezo regulatory submission for CE approval.
- Subsequent to this, Group announced a manufacturing agreement with SRX Global for the production of its next generation breath and asthma wheeze detection sensor, the hardware component of wheezo. Four imperatives guided our selection of production partner; local operation to control synergies across the ecosystem, manufacturing innovation, strong engineering and the ability to quickly scale to volume to meet global demand.
- In September 2018, the appointment of Professor Bruce Thompson, one of the leading respiratory experts in this country and the President-elect of the Thoracic Society of Australia and New Zealand, to Chair Respi's Medical & Scientific Advisory Board. Under Professor Thompson's leadership, an advisory board meeting was held in London in October 2018 with a leading group of UK respiratory

Directors' Report *(Continued...)*

experts to define the clinical study program for the wheezo technology necessary to obtain health care practitioners (HCP) endorsement in early launch markets. The priority studies that have been announced to the market reflect the consensus of these world-renowned respiratory thought leaders.

- On November 28th the Group held its Annual General Meeting, where the previous Chairman, Mr. Mark Ziirsen and Non-Executive Directors, Mr. Brendan Mason and Dr. Thomas Duthy announced their resignations from the Board prior to the AGM, leading to the appointment of Mr. Ross Blair-Holt as Non-Executive Chairman and Professor Bruce Thompson also taking on a Non-Executive Director position along with his continued role as Chair of the Medical & Scientific Advisory Board. The CEO & Director, Mario Gattino, assumed the Chairman's role providing shareholders with an update on the Group's position and revised major milestones for 2018/2019 towards the successful launch of wheezo . The results of voting per tabled resolutions were announced the following day.
- The Group conducted a successful capital raising process in December 2018 that achieved \$3,150,000 funding, complemented by an oversubscribed Share Purchase Plan process in January 2019 delivering another \$1,000,000. The Group remains disciplined in its capital management and continues to strictly control its cash burn. As activity now shifts fundamentally towards wheezo commercialisation and planning for the successful launch of the product in the UK, Australia and Singapore, the directors are continuously reviewing proposals to strengthen our capital position in order to achieve optimal launch funding.

The Group led by a new Board in 2019, is strongly aligned with the 3 strategic pillars driving our success as announced at the recent AGM:

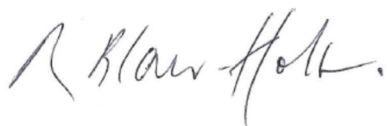
- Clinical Validation
- Customer Engagement
- Big Data Technologies

It believes we are well positioned and implementing the right plans that are world best practice in launching the wheezo technology, working with best available third parties: Grey Innovation, Two Bulls, SRX Global, LIDA, Amazon fulfilment & Cloud. As we execute these plans, the Group remains agile and where required, will pivot to achieve our mission.

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 Ross Blair-Holt
Chairman

Melbourne
Dated this the 26th Day of February 2019.

RSM Australia Partners

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AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the financial report of Respiri Limited and controlled entities for the half year ended 31 December 2018, 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.

RSM

RSM AUSTRALIA PARTNERS

Paul A Ransom

P A RANSOM

Partner

Dated: 26 February 2019
Melbourne, Victoria

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the Half Year Ended 31 December 2018

	Note	Consolidated 31 December 2018 \$ AUD	Consolidated 31 December 2017 \$ AUD
Revenue			
Non-operating Revenue		2,546	10,737
Other Income		1,026,252	865,154
Total Revenue		1,028,798	875,891
Expenses			
Amortisation expenses		-	(116,819)
Consulting, employee and director expenses		(684,225)	(562,448)
Share-based payment expense		16,257	(9,841)
Corporate administration expenses		(737,349)	(511,617)
Depreciation expenses		(2,662)	(4,710)
Marketing and promotion expenses		(139,289)	(17,890)
Research and development expenses		(2,488,899)	(409,565)
Travel expenses		(94,989)	(25,910)
Loss before income tax expense from continuing operations		(3,102,358)	(782,909)
Income tax expense			-
Loss after income tax for the period		(3,102,358)	(782,909)
Other comprehensive income:			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Exchange differences on translation of foreign operations		(5,859)	(15,826)
Total comprehensive loss for the period		(3,108,217)	(798,735)
Loss attributable to members of the parent entity		(3,102,358)	(782,909)
Total comprehensive loss attributable to members of the parent entity		(3,108,217)	(798,735)
Loss per share for the period attributable to the members of the parent entity			
Basic loss per share (cents per share)	8	(0.65)	(0.18)
Diluted loss per share (cents per share)	8	(0.65)	(0.18)

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 2018

	Note	Consolidated 31 December 2018 \$ AUD	Consolidated 30 June 2018 \$ AUD
ASSETS			
Current Assets			
Cash and cash equivalents		2,994,790	2,418,427
Trade and other receivables		223,388	118,763
Other		481,347	109,833
Total Current Assets		3,699,525	2,647,023
Non-Current Assets			
Property, plant and equipment		11,468	10,951
Other assets		2,912	2,985
Total Non-Current Assets		14,380	13,936
TOTAL ASSETS		3,713,905	2,660,959
LIABILITIES			
Current Liabilities			
Trade and other payables		2,192,654	997,234
Other financial liabilities		12,912	12,912
Total Current Liabilities		2,205,566	1,010,146
TOTAL LIABILITIES		2,205,566	1,010,146
NET ASSETS		1,508,339	1,650,813
EQUITY			
Issued capital	6	105,125,617	102,332,258
Reserves		207,035	40,510
Accumulated Losses		(103,824,313)	(100,721,955)
TOTAL EQUITY		1,508,339	1,650,813

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 2018

	Issued Capital	Option Reserve	Foreign Currency Translation Reserve	Accumulated Losses	Total
	\$ AUD	\$ AUD	\$ AUD	\$ AUD	\$ AUD
Balance as at 30 June 2017	99,382,258	217,102	(287,042)	(97,514,735)	1,797,583
Loss after income tax expense for the period	-	-	-	(782,909)	(782,909)
Other comprehensive income for the period, net of tax	-	-	(15,826)	-	(15,826)
Total comprehensive loss for the half-year	-	-	(15,826)	(782,909)	(798,735)
<i>Transactions with Equity holders in their capacity as equity holders:</i>					
Share-based payment expense	-	9,841	-	-	9,841
Options Lapsed*	-	-	-	-	-
Balance at 31 December 2017	99,382,258	226,943	(302,868)	(98,297,644)	1,008,689
Balance 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)
<i>Transactions with Equity holders in their capacity as equity holders:</i>					
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

* 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.

Consolidated Statement of Cash Flows

For the Half Year Ended 31 December 2018

	Consolidated 31 December 2018	Consolidated 31 December 2017
Note	\$ AUD	\$ AUD
<i>Cash flows from operating activities</i>		
Receipts from customers	-	2,241
R&D tax incentive refund	1,026,252	937,361
Payments to suppliers and employees (inclusive of GST)	(3,185,470)	(1,447,338)
Interest received	2,546	8,496
Net cash flows used in operating activities	(2,156,672)	(499,240)
<i>Cash flows related to investing activities</i>		
Payments for purchases of plant and equipment	(3,179)	(2,668)
Proceeds of property, plant and equipment	-	1,404
Net cash flows used in investing activities	(3,179)	(1,264)
<i>Cash flows related to financing activities</i>		
Proceeds from issues of shares	2,750,000	-
Capital raising costs	(8,000)	-
Net cash flows from financing activities	2,742,000	-
Net (decrease) in cash and cash equivalents	582,149	(500,504)
Cash and cash equivalents at the beginning of the period	2,418,427	1,562,920
Effects of exchange rate changes on cash and cash equivalents	(5,786)	(8,841)
Cash and cash equivalents at the end of the period	2,994,790	1,053,575

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

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 2018 annual financial report for the financial year ended 30 June 2018. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

Going Concern

The financial report has been prepared on the going concern basis, which assumes continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

As disclosed in the financial statements, the Group incurred a losses of \$3,102,358 (2017: \$782,909 loss) and had net cash outflows from operating activities of \$2,156,672 (2017: \$499,240 outflow) for the half year to 31 December 2018.

The Group has undertaken significant research and development activities but expects the transition to commercialisation phase to occur in the coming months as the Research and Development (R&D) phase winds down. The Group has continued to receive Research and Development Tax Incentive income in relation to these activities, including \$1,026,252 cash received for the 2018 financial year in the half year to 31 December 2018. The Group was also successful in raising capital of \$3,150,000 in December 2018 and as disclosed in Note 9 Events Subsequent to Reporting Date a further \$1,000,000 was raised through its Share Purchase Plan in February 2019 to assist with its planned milestones.

The Group expects to commercialise its technologies in the coming months and will divert its resources to sales and marketing activities when the commercialisation phase commences. The Group is confident that the current cash position and the revenue from anticipated sales would enable the achievement of its planned milestones and further business growth. If additional funding is required during the commercialisation phase, the Group has several funding options at its disposal that it could consider. This is illustrated by the Group's strong track record of accessing additional capital when required.

In conjunction with the above, the Group also expects to receive further R&D Tax Incentive income in relation to its 30 June 2019 activities. The Board expect payment of the R&D Tax Incentive for all eligible R&D activities done during the 2019 financial year in October/November 2019. The Group is also evaluating other Australian based activity beyond R&D that has the potential to qualify for increased Government funding (e.g. manufacturing and export of the technologies).

Note 1 - Statement of Compliance (Continued)

Going Concern (Continued)

Accordingly, the Directors believe that the Group 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 Group does not continue as a going concern.

Should the Group be unable to achieve the matters set out above, a material uncertainty would exist as to whether the Group would be able to continue as a going concern and therefore whether it would realise its assets and discharge its liabilities in the normal course of business.

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 2018.

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

- AASB1048 Interpretations of Standards
- AASB 2017-2 Amendments to Australian Accounting Standards – Further Annual Improvements to Australian Accounting Standards 2014-2016
- AASB 2016-2 Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 107
- AASB 9 Financial Instruments and its consequential amendments
- AASB 15 Revenue from Contracts with Customers
- AASB 2016-5 Amendments to Australian Accounting Standards – Classification and Measurement of Share-based Payment Transactions
- AASB Interpretation 22 Foreign Currency Transactions and Advance Consideration
- AASB 2017-1 Amendments to Australian Accounting Standards – Transfers of Investment Property, Annual Improvements 2014–2016 Cycle and Other Amendments

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

Notes to the Condensed Consolidated Financial Statements *(Continued...)*

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

New and revised Australian Accounting Standards in issue but not yet effective

At the date of authorisation of the financial statements, the Group has not applied the following new and revised Australian Accounting Standards, Interpretations and amendments that have been issued but are not yet effective:

Ref	Title	Summary	Effective for reporting period beginning	Impact on financial report	Expected to be initially applied
AASB 16	<i>Leases</i>	The standard replaces AASB 117 'Leases' and for lessees will eliminate the classifications of operating leases and finance leases. The standard outlines the recognition and measurement requirements for 'right-of-use' assets on the statement of financial position.	1 Jan 19	The Company does not expect any material impact.	30 Jun 20
AASB 2018-1	<i>Amendments to Australian Accounting Standards – Annual Improvements 2015–2017 Cycle</i>	AASB 2018-1 amends AASB 3 Business Combinations (August 2015), AASB 11 Joint Arrangements (July 2015), AASB 112 Income Taxes (August 2015) and AASB 123 Borrowing Costs (August 2015). As a consequence of the issuance of International Financial Reporting Standard Annual Improvements to IFRS Standards 2015- 2017 Cycle by the International Accounting Standards Board (IASB) in December 2017.	1 Jan 19	The Company does not expect any material impact.	30 Jun 20

In addition, at the date of authorisation of the financial statements the following IASB Standards and IFRIC Interpretations were on issue but not yet effective, but for which Australian equivalent Standards and interpretations have not yet been issued.

Title	Summary	Application date of standard	Impact on financial report	Application date
<i>Annual Improvements to IFRS Standards 2015-2017 Cycle</i>	The improvements clarify amendments affecting IFRS 3, 'Business combinations', IFRS 11, 'Joint arrangements', IAS 12, 'Income taxes', and IAS 23, 'Borrowing costs'.	1 Jan 19	The Company does not expect any material impact as current rules are in line with the requirements.	1 Jul 2019

Note 3 - Dividends

No dividends have been declared for the period ended 31 December 2018.

Notes to the Condensed Consolidated Financial Statements *(Continued...)*

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.

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 2018	----- Medical Devices -----		Segment Total \$ AUD	Corporate \$ AUD	Elimination \$ AUD	Total \$ AUD
	Australia \$ AUD	Israel \$ AUD				
Segment Revenue						
External sales	-	-	-	-	-	-
Interest revenue	-	-	-	838,630	(836,084)	2,546
Other income	-	-	-	1,026,252	-	1,026,252
Total Segment Revenue	-	-	-	1,864,882	(836,084)	1,028,798
Segment Expenses						
Segment Amortisation Expenses	-	-	-	-	-	-
Segment Depreciation Expenses	-	(76,011)	(76,011)	(2,662)	76,011	(2,662)
Segment Expenses	(2,241,412)	(847,851)	(3,089,263)	(1,833,489)	794,258	(4,128,494)
Total Segment Expense	(2,241,412)	(923,862)	(3,165,274)	(1,836,151)	870,269	(4,131,156)
Income Tax Expense	-	-	-	-	-	-
Net Result	(2,241,412)	(923,862)	(3,165,274)	28,731	34,185	(3,102,358)
Assets						
Segment assets	26,179	95,767	121,946	6,832,019	(3,240,060)	3,713,905
Total Assets	26,179	95,767	121,946	6,832,019	(3,240,060)	3,713,905
Liabilities						
Segment liabilities	16,081,935	29,979,885	46,061,820	14,167,039	(58,023,293)	2,205,566
Total Liabilities	16,081,935	29,979,885	46,061,820	14,167,039	(58,023,293)	2,205,566

Notes to the Condensed Consolidated Financial Statements *(Continued...)*

Note 4 - Segment Information (Continued)

31 December 2017	----- Medical Devices -----		Segment Total \$ AUD	Corporate \$ AUD	Elimination \$ AUD	Total \$ AUD
	Australia \$ AUD	Israel \$ AUD				
Segment Revenue						
External sales	-	-	-	-	-	-
Interest revenue	-	2,241	2,241	812,385	(803,889)	10,737
Other income	-	-	-	865,154	-	865,154
Total Segment Revenue	-	2,241	2,241	1,677,539	(803,889)	875,891
Segment Expenses						
Segment Amortisation Expenses	-	(77,423)	(77,423)	-	(39,396)	(116,819)
Segment Depreciation Expenses	-	(2,694)	(2,694)	(2,017)	-	(4,711)
Segment Expenses	(410,564)	(1,019,812)	(1,430,376)	(899,774)	792,880	(1,537,270)
Total Segment Expense	(410,564)	(1,099,929)	(1,510,493)	(901,791)	753,484	(1,658,800)
Income Tax Expense	-	-	-	-	-	-
Net Result	(410,564)	(1,097,688)	(1,508,252)	775,748	(50,405)	(782,909)
Assets						
Segment assets	30,252	291,595	321,847	6,509,556	(4,876,348)	1,955,054
Total Assets	30,252	291,595	321,847	6,509,556	(4,876,348)	1,955,054
Liabilities						
Segment liabilities	12,364,256	29,708,872	42,073,127	11,591,401	(52,718,163)	946,365
Total Liabilities	12,364,256	29,708,872	42,073,127	11,591,401	(52,718,163)	946,365

Note 5 - Contingent Liabilities and Assets

Office 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.

Notes to the Condensed Consolidated Financial Statements *(Continued...)*

Note 5 - Contingent Liabilities and Assets (Continued)

Former Directors' Options

At the 2017 Annual General Meeting on 14 December 2017, shareholders approved the issue of 14,000,000 options to two directors who subsequently resigned on 30 May 2018 and that the Company has determined were not issued and have not vested. The financial statements have been prepared reflecting the Company's position. The former directors have communicated to the Company that they disagree with the Company's determination that the options were not issued and have not vested and it is possible that they may take legal action against the Company. The Company has rejected their view and will, should it be required to do so, strongly defend its position.

In the event that the Company was required to recognise that the options were issued and had vested, a non-cash share based payments expense of \$934,000 would be recognized and would increase the net loss for the period.

Note 6 – Issued Capital

	31 December 2018		30 June 2018	
	No.	\$ AUD	No.	\$ AUD
Fully Paid Ordinary Shares				
Balance at beginning of year	473,383,224	102,332,258	433,383,224	99,382,258
Shares issued during the year	39,375,000	3,150,000	40,000,000	3,200,000
Transactions costs relating to share issues	-	(356,641)	-	(250,000)
Total Issued Capital	512,758,224	105,125,617	473,383,224	102,332,258

During the Half Year ended 31 December 2018, the Company issued the following securities:

Date	Details	No.	Issue Price \$ AUD	Total Value \$ AUD
21 Dec 18	Issue of shares in lieu of cash payment for services to be rendered ¹	5,000,000	0.080	400,000
21 Dec 18	Placement of fully paid ordinary shares to certain professional and sophisticated investors as per the Company's ASX announcement of 18 December 2018.	34,375,000	0.080	2,750,000
		39,375,000		3,150,000

¹ 5,000,000 shares issued to the Development partners in lieu of cash payment for R&D services.

Note 7 - Options

	31 December 2018	30 June 2018
	No.	No.
Options		
Balance at beginning of year	30,000,000	20,000,000
Unlisted Options issued during the year	5,000,000	20,000,000
Lapse of options due to nil exercise	-	-
Cancellation of options	-	(10,000,000)
Total Options	35,000,000	30,000,000

During the Half Year ended 31 December 2018 the Group issued the following securities:

Date	Details	No.	Option fair value \$ AUD	Total Value \$ AUD
Unlisted Options				
21 Dec 18	Issue of options in lieu of cash payment for services rendered ¹	5,000,000	0.03773	188,641
		5,000,000		188,641

¹5,000,000 Unlisted Options exercisable at \$0.12 on or before 21 December 2020 issued on 21 December 2018 to the Lead Manager of the Placement in lieu of cash payment for services relating to the Placement

Note 8 - Loss per Share

	31 December 2018	31 December 2017
Basic loss per share (cents)	(0.65)	(0.18)
Diluted loss per share (cents)	(0.65)	(0.18)
a) Net loss used in the calculation of basic and diluted loss per share	(3,102,358)	(782,909)
b) Weighted average number of ordinary shares outstanding during the period used in the calculation of basic and diluted loss per share	475,737,164	433,383,224
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 9 - Events Subsequent to Reporting Date

Share Purchase Plan

Following the settlement of the Share Placement in December 2018, the Company has offered a Share Purchase Plan (SPP) to eligible existing shareholders in January 2019 at \$0.08 per share which is consistent with the terms offered to institutional and sophisticated investors under the Share Placement. The SPP closed on 31 January 2019 with enormous support from shareholders given the oversubscription by 56%. The SPP has raised \$1 million with the new shares under the SPP to be issued and allotted in February 2019.

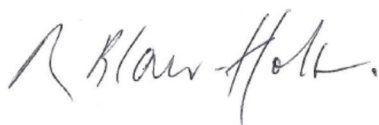
Other than as disclosed above no matters or circumstances have arisen since the end of the reporting period which significantly affects the operations of the Group, results of these operations, or the state of affairs of the Group in future financial periods.

Directors' Declaration

The directors declare that:

- (a) in the directors' opinion, there are reasonable grounds to believe that 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 Ross Blair-Holt
Chairman

Melbourne

Dated this the 26th Day of February 2019.

RSM Australia Partners

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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 2018, 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 2018 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.

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 2018 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*.

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 \$3,102,358 and the consolidated entity incurred net cash outflows from operating activities of \$2,156,672 for the half-year ended 31 December 2018. 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.



RSM AUSTRALIA PARTNERS



P A RANSOM

Partner

Dated: 26 February 2019
Melbourne, Victoria

Corporate Directory

AUSTRALIAN COMPANY NUMBER (ACN)

009 234 173

DIRECTORS

Mr Mario Gattino

Mr Mark Ziirsen

Mr Brendan Mason

Mr Ross Blair-Holt

Professor Bruce Thompson

Dr Thomas Duthy

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

CEO and Executive Director

Non-Executive Chairman (Resigned on 27 November 2018)

Non-Executive Director (Resigned on 27 November 2018)

Non-Executive Chairman (Appointed as Director on 27 November 2018, Elected as Chairman on 18 December 2018)

Non-Executive Director (Appointed on 27 November 2018)

Non-Executive Director (Appointed on 24 October 2018 and Resigned on 27 November 2018)

COMPANY SECRETARY

Mr Julian Rockett

PRINCIPAL PLACE OF BUSINESS

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AUSTRALIA 3000

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SHARE REGISTRY

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770 Canning Highway

Applecross, Western Australia, 6153

Australia

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AUDITORS

RSM Australia Partners

Level 21, 55 Collins Street

Melbourne, Victoria, 3000

Australia

BANKERS

National Australia Bank (NAB)

330 Collins Street,

Melbourne, Victoria, 3000

Australia

WEBSITES

www.respiri.com

www.airsona.com.au

SECURITIES QUOTED

Australian Securities Exchange

- Ordinary Fully Paid Shares (ASX Code: RSH)