

Appendix 4C

Quarterly report for entities subject to Listing Rule 4.7B

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10, 01/09/16

Name of entity

Respiri Limited (ASX: RSH)

ABN

98 009 234 173

Quarter ended ("current quarter")

31 March 2019

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (.....months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) research and development	(1,215)	(2,850)
(b) product manufacturing and operating costs	(77)	(343)
(c) advertising and marketing	(185)	(283)
(d) leased assets	-	-
(e) staff costs	(210)	(596)
(f) administration and corporate costs	(477)	(1,309)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	2	5
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	34
1.7 Government grants and tax incentives	-	1,026
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(2,162)	(4,316)
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	(3)
(b) businesses (see item 10)	-	-
(c) investments	-	-

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (.....months) \$A'000
(d) intellectual property	-	-
(e) other non-current assets	-	-
2.2 Proceeds from disposal of:		
(a) property, plant and equipment	-	-
(b) businesses (see item 10)	-	-
(c) investments	-	-
(d) intellectual property	-	-
(e) 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	-	(3)

3. Cash flows from financing activities		
3.1 Proceeds from issues of shares	1,000	3,750
3.2 Proceeds from issue of convertible notes	-	-
3.3 Proceeds from exercise of share options	-	-
3.4 Transaction costs related to issues of shares, convertible notes or options	(235)	(244)
3.5 Proceeds from borrowings	-	-
3.6 Repayment of borrowings	-	-
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other (provide details if material)	-	-
3.10 Net cash from / (used in) financing activities	765	3,506

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of quarter/year to date	2,995	2,419
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(2,162)	(4,316)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	-	(3)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	765	3,506

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (.....months) \$A'000
4.5	Effect of movement in exchange rates on cash held	(7)	(15)
4.6	Cash and cash equivalents at end of quarter	1,591	1,591

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	1,591	2,995
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)	1,591	2,995

6. Payments to directors of the entity and their associates

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

Current quarter \$A'000

136

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Fees of Executive Director and Non-Executive Directors (excluding GST)

7. Payments to related entities of the entity and their associates

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

Current quarter \$A'000

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N/A

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	-	-
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

N/A

9. Estimated cash outflows for next quarter	\$A'000
9.1 Research and development	1,121
9.2 Product manufacturing and operating costs	59
9.3 Advertising and marketing	137
9.4 Leased assets	-
9.5 Staff costs	225
9.6 Administration and corporate costs	465
9.8 Total estimated cash outflows	2,007

10. Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)	Acquisitions	Disposals
10.1 Name of entity	-	-
10.2 Place of incorporation or registration	-	-
10.3 Consideration for acquisition or disposal	-	-
10.4 Total net assets	-	-
10.5 Nature of business	-	-

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.

Sign here:  Date: 30/4/19
(Chief Executive Officer & Director)

Print name: MR MARIO GATTINO
.....

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly 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 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.

Financial Commentary

During the quarter, the Company successfully completed a Share Purchase Plan (SPP) to existing shareholders and received \$1.0 m cash in the quarter. Overall total cash outflows for the March 2019 quarter were essentially in line with the Dec 2018 4C forecast.

The R&D phase of development for wheezo is winding down with activity heavily focused on final testing and the integration process of the state-of-the-art Breath Sensor and wireless connectivity to the smart app by our development partners. This represents the final mandatory step in meeting all regulatory submission requirements for product approval. The previously announced Clinical Studies under Professor Bruce Thompson's leadership supporting our market launch promotional claims, will be a focus of our activity and funding next quarter.

Lower than forecast spend in product manufacturing, advertising, and marketing activities for the quarter is aligned with updated phasing and timing of these activities, reflecting the previously communicated delay due to resolving the issue around plastics components. Finished final wheezos for demonstration purposes are now scheduled for end May 2019.

Staff costs and other corporate & admin costs were closely managed during the quarter, in line with expectations and factoring in transaction costs associated with capital raising activity.

The company has secured a borrowing facility of up to \$1.4 M which anticipates the forecasted 2019 R&D tax incentive claim. We have engaged the same tax adviser and followed the consistent assessment process utilised to successfully obtain R&D grants in previous years. The facility will provide increased financial flexibility and strength in executing our plans towards the wheezo launch targeted for Q3 2019 CY. Typically, the R&D tax incentive payment would be scheduled around Oct /Nov 2019, the company anticipates being in revenue generating mode at that time. Access to this capital now is aligned with funding key pre-launch activity to support a successful launch. Any draw down from this facility by the company is expected to be fully repaid by end October 2019.