

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")

30 June 2019

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) research and development	(943)	(3,793)
(b) product manufacturing and operating costs	(43)	(386)
(c) advertising and marketing	(349)	(632)
(d) leased assets	-	-
(e) staff costs	(210)	(806)
(f) administration and corporate costs	(483)	(1,792)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	1	6
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	3	37
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	(2,024)	(6,340)
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	(3)
(b) businesses (see item 10)	-	-
(c) investments	-	-

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Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 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	-	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	-	(244)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	(54)	(54)
3.8	Dividends paid	-	-
3.9	Other (provide details if material) - Fundsquire	800	800
3.10	Net cash from / (used in) financing activities	746	4,252

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	1,591	2,419
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(2,024)	(6,340)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	(3)

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Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	746	4,252
4.5	Effect of movement in exchange rates on cash held	(4)	(19)
4.6	Cash and cash equivalents at end of quarter	309	309

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	309	1,591
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)	309	1,591

6.	Payments to directors of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to these parties included in item 1.2	125
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	

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

7.	Payments to related entities of the entity and their associates	Current quarter \$A'000
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	

N/A

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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	1,400	800
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.		

Short term R&D tax credit loan facility of \$1.4m provided by FundSquire based on 80% of expected FY2019 R&D tax refund. Interest rate is 1.35% per month and full repayment of facility is expected by 31 Dec 19.

9. Estimated cash outflows for next quarter	\$A'000
9.1 Research and development	732
9.2 Product manufacturing and operating costs	207
9.3 Advertising and marketing	134
9.4 Leased assets	-
9.5 Staff costs	242
9.6 Administration and corporate costs	349
9.8 Total estimated cash outflows	1,664

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	-	-

Quarterly report for entities subject to Listing Rule 4.7B**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:
(Chief Executive Officer & Director)

30 July 2019
Date:

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

Overall total cash outflows of \$2.078m for the June 2019 quarter were in line with the March 4C forecast of \$2.007m. Staff costs and other corporate & admin costs were closely managed during the quarter, in line with expectations.

The company secured a borrowing facility of up to \$1.4m, which anticipates the forecasted 2019 R&D tax incentive claim of which \$0.6m was undrawn at the end of June 2019.

During the quarter, the company achieved three watershed milestones:

- Signed a transformational joint venture for India with Dr. Harsha Vardan and MedAchievers that is evolving rapidly to provide major opportunities for Respi in that market;
- Completed development of the state-of-the-art Breath Sensor and wireless connectivity to the smart app to deliver the promise of the wheezo technology for CE approval and demonstrations
- Commenced and significantly progressed our 2 key foundational clinical studies – 1) Stethoscope Comparison and 2) Correlation of wheeze rate with other clinical measures, to medically validate the potential of the product. As communicated, under Professor Bruce Thompson's leadership and in collaboration with world leading experts in respiratory medicine, working towards publication of results in highly credible and prestigious medical journals later in 2019.

Each of these milestones has advanced the company significantly. Shifting our mindset to be focused on successful launch planning of wheezo, optimise manufacturing & supply chain and pursue numerous options in commercialization of our technology globally; either alone or through strategic partnerships with leading global MedTech, pharma or technology companies we have been engaging with. Being able to reliably and successfully demonstrate the wheezo capability to medical experts in Australia, UK and India, to groups such as health technology agencies, potential partners and prospective strategic investors has resulted in positive engagement.

A key focus of the Company's activities for the coming months is capitalising on the early interest and emerging demand from India. We anticipate our first global sales to come from India this year, after a short period of key evaluation and clinical implementation studies – focusing on leading hospitals and Government-supported health initiatives around respiratory disease, where wheezo's contribution can be defined and from there ramped-up to meet the broader population needs.

Respi management will maintain a tight fiscal discipline next quarter, which will ensure that capital is deployed with a focus on the milestones required for a successful launch of Wheezo technology in India and Australia.

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Our resources and organizational capabilities will be deployed across 3 key areas that will underpin our success:

- **Optimise manufacturing & supply chain:** With the manufacturing dossier and safety and compliance testing phase reaching completion, we are now working towards being in a position to meet the objective of supplying 20,000 Wheezo units per month. The team will explore all available avenues, including final assembly in India, which can attract favourable Government support. The inaugural MedParliament healthcare conference in Delhi on 29th – 31st of July hosted by our JV partners is a transactional event showcasing market demand for wheezo. Key Indian healthcare leaders in attendance (clinicians, hospital owners, ministers etc) who have expressed strong interest will meet directly with Respi management and Professor Thompson to discuss the products application, pilot programs and expected market demand. The conference will be Respi's official market launch in India with media coverage via CNBC, Forbes, Times of India, Economic Times (TV, online, print).
- **Two key foundational clinical studies to medically validate the potential of the product:**
 - 1) **Stethoscope Comparison – completed and paper submitted for publication Sept 19 Quarter**
 - 2) **Correlation of wheeze rate with other clinical measures – target completion early Dec 19 Quarter and paper submitted for publication**The success of these 2 clinical studies will allow us to actively engage the medical community, asthma associations, health technology assessment agencies, private insurers/payors to endorse the adoption of wheezo in asthma self-management. These studies complete the discussion and will lead to future traction towards wheezo becoming the new standard in treatment guidelines around the world.
- **Work towards achieving CE Mark approval that will allow sales across the UK / EU and expected to result in TGA approval soon after for Australia:**

The final dossier to the EU regulators is expected to be completed and submitted by October '19 (latest) with approval anticipated by December '19 based on typical timelines.

Achievement across all of these 3 key areas is expected to allow the Company to progress launch planning in the UK, Australia, EU and the US. The Company anticipates increasingly active engagement with potential strategic equity partners as well as leading global MedTech, pharma or technology companies to collaborate on and co-fund the commercialisation and global distribution of our proprietary wheezo technology.

The Company announced on 30 July 2019 it has successfully conducted a \$3.4m capital raising via a private placement to sophisticated and professional investors at 10.0 cents per share.