

ASX / MEDIA ANNOUNCEMENT

17 July 2020

Respiri Signs an Exclusive, International Pharmacy Sales/Marketing, Distribution & Logistics Agreement with Cipla Australia for wheezo®

Key Points

- Cipla is a globally recognised, leading pharmaceutical company with a specialty focus in respiratory medicine
- Initial minimum order quantity of 2,000 units upon signing of the Agreement with first delivery October 2020
- Agreement has a five-year term, with a three-year renewal option
- Initial markets being Australia and New Zealand with a first right of refusal for Cipla to distribute into other key markets.
- Product revenues under the Agreement to commence from second half of calendar year 2020
- Cipla Australia possesses significant sales and marketing infrastructure covering over 80% of the pharmacy market in Australia.
- Respiri continues to explore complementary key partnerships with leading respiratory pharmaceutical/device companies across the globe, as part of the Company's group strategy in asthma disease management
- Respiri will issue calendar year 2021 whole company revenue guidance to the market imminently

Respiri Limited (ASX:RSH) ("Respiri" or the "Company"), an eHealth SaaS Company supporting respiratory health management, today announces the execution of a binding Sales/Marketing, Distribution & Logistics Agreement with Cipla Australia Pty Ltd, a subsidiary of Cipla Limited (BSE: 500087, NSE: CIPLA), a globally recognised leading pharmaceutical company headquartered in Mumbai, India.

In financial year 2019, Cipla recorded worldwide revenues of US\$2.2 billion and has a market capitalisation of approximately US\$7.0 billion. Cipla Australia has more than 200 registered formulations with the Australian Therapeutic Goods Administration (TGA) through partnerships with market leaders and on its own. The list of registered medicines includes OTC (Over the Counter), prescription and hospital medicines.

The Cipla Australia sales force has established coverage of more than 15,000 general practitioners and 4000 pharmacies across Australia and strong relationships with all major pharmacy chains. The significant sales and marketing infrastructure Cipla Australia has in place within Australia will allow Respiri to better engage with pharmacists and leverage the recently announced Pharmacy Guild Learning and Development (GuildEd) co-development agreement to develop a pharmacist asthma education program.

Under terms of the Agreement, Cipla is committed to an initial minimum order of 2,000 wheezo® devices. Importantly, recent extensive work undertaken by Respiri to streamline wheezo® manufacturing and further reduce the cost per unit means that at the transfer price to Cipla, the Agreement will generate product gross margins of 30% to 40% from the start of calendar year 2021 and this is forecast to improve with increased volume.

The wheezo® device is a new-generation monitor that allows people with asthma to monitor their symptoms through a single platform. Featuring a breath sensor, digital health platform and mobile app, wheezo® provides people with an asthma integrated system to monitor and manage their condition and guide them to optimise their asthma management plans.

Mr Marjan Mikel, Chief Executive Officer of Respi Limited, said: "With a leading respiratory disease franchise in Australia and in all major international markets, Cipla represents an ideal partner for Respi as the Company executes its transformation program to an eHealth SaaS partner for patients seeking to effectively manage their asthma and to provide health care professionals with an effective, analytical approach to monitor their patients' asthma over time and provide asthma care beyond the clinic where exacerbation problems occur and can be dangerous. Respiratory disease monitoring and management has never been more important with the COVID-19 pandemic posing an increased risk for asthmatic patients within Australia and globally. We anticipate revenues under this partnership to commence in the second half of calendar year 2020, with Respi receiving a fixed supply price per wheezo®, while also retaining the full annuity revenue stream associated with the monthly per patient subscription fee of approximately \$AUD8.

Respi as a result of this milestone along with other key commercialisation milestones already reported will issue to the market full year calendar 2021 whole of company revenue guidance imminently
- ENDS -

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This ASX announcement dated 17th July 2020 has been authorised for release by the Board of Directors of Respi Limited.

About Respi Limited

Respi is an e-Health SaaS company supporting respiratory health management. Its world-first technology detects wheeze, a typical symptom of asthma, COPD and respiratory disease to provide an objective measure of airway limitation. The only platform of its kind, the flagship wheezo® product employs machine learning to provide personalised feedback and education based on the user's personal health data correlated with environmental factors, and enables the sharing of that data, anytime, anywhere with caregivers, physicians and other health care professionals.

Respi's mission is to help improve quality of life for hundreds of millions of children and adults around the world and dramatically reduce hospital admissions and the economic burden of asthma. Respi Limited's operations are based in Melbourne, Australia.

For additional information about Respi and its products, please visit www.respi.co

About Cipla Limited and Cipla Australia

Established in 1935, Cipla Limited is a global pharmaceutical company focused on responsible and sustainable growth through deep and wide portfolio and strong patient relationships across our home markets of India, South Africa, US, Australia and other key regulated and emerging markets. Cipla Limited has the one of the world's largest range of inhaled medication and devices for respiratory disease and manufactures more than 100 million inhalers annually. Cipla's respiratory products are exported to more than 100 countries – every minute someone somewhere is using a form of Cipla medication or a delivery system. Cipla Australia, based in Melbourne, has grown to become a leading integrated generics and ethical pharmaceuticals supplier, marketer and distributor in Australia. Cipla Australia has more than 200 products listed with the TGA.

Forward Looking Statements

Certain statements made in this announcement are forward-looking statements. These forward-looking statements are not historical facts but rather are based on Respiri current expectations, estimates and projections about the industry in which Respiri operates, and its beliefs and assumptions. Words such as "anticipates," "expects," "intends," "plans," "believes," "seeks," "estimates" "guidance" and similar expressions are intended to identify forward looking statements and should be considered an at-risk statement. Such statements are subject to certain risks and uncertainties, particularly those risks or uncertainties inherent in the process of developing technology and in the endeavour of building a business around such products and services. These statements are not guarantees of future performance and are subject to known and unknown risks, uncertainties and other factors, some of which are beyond the control of Respiri, are difficult to predict and could cause actual results to differ materially from those expressed or forecasted in the forward looking statements. Respiri cautions shareholders and prospective shareholders not to place undue reliance on these forward-looking statements, which reflect the view of Respiri only as of the date of this release. The forward-looking statements made in this announcement relate only to events as of the date on which the statements are made. Respiri will not undertake any obligation to release publicly any revisions or updates to these forward-looking statements to reflect events, circumstances or unanticipated events occurring after the date of this announcement except as required by law or by any appropriate regulatory authority.