ASX / MEDIA ANNOUNCEMENT

26 October 2021

October 2021 Quarterly Cash Flow and Quarterly Activities Report

Respiri Limited (ASX:RSH)("Respiri" or the "Company"), an eHealth SaaS Company supporting respiratory health management, today announces the Appendix 4C quarterly cash flow and activities for the 3 month period ended 30 September 2021.

Operating Highlights

During the quarter, Respiri was announced the winner of the 2021 Good Design Gold Award for product design, medical and scientific. Winning design projects were required to demonstrate that they improve quality of life and contribute to a better, safer, and more sustainable future. wheezo® has been awarded lifetime access to the Good Design Tick, recognised worldwide as one of the most respected benchmarks for innovation and design worldwide. The tick signals that wheezo® is produced to the highest quality, provide good value for money and will give them a great experience and can be featured on product and marketing collateral.

The Company has made its intentions around building a broader respiratory portfolio very clear and to this end has leveraged its internal expertise, to build a wearable device cost-effectively and expeditiously. The project commenced in May 2021 and the Respiri team delivered a prototype in October that is now being tested with preliminary results being positive. The initial version of the device is to be used in respiratory clinical trials and there is already strong interest in the product from multinational companies. The next generation prototype set for completion in Q2 CY2022 is designed to monitor the multiple parameters of nocturnal asthma, a therapeutic area of need as determined by Key Opinion Leaders (KOL) (from Australia, Canada, Europe, UK, USA and Israel) that were consulted during the design of the wearable. Today there is nothing available for physicians to monitor these patients and exacerbations during sleep can be particularly concerning. This technology will complement wheezo® which is designed for ambulatory "daytime" monitoring. Patents have been successful submitted for the device and the brand Sorfe has been chosen.

The Respiratory Specialist led wheezo® **R**emote **A**sthma **M**anagement **P**rogramme (**RAMP**) continues to grow the number of patients enrolled with almost 4 months of remote patient monitoring data captured. Although more data is required, the initial health outcome trends from this initiative appear positive and this is particularly important to demonstrate to payors and employers of the health merits of the programs which will be critical not only in Australia but the USA, UK and Europe. The intention is to grow the enrolled patient pool to about 75-100 and continue to monitor the health outcomes metrics for an initial 6 months. Analysis of the data should be available for use in mid Q1 CY2022 and possible publication afterwards.

The Company has continued to invest into the upgrading of the App to increase utility and patient engagement. Added to the App was the Asthma Control Test (ACT) which is a clinically proven tool used by physicians to determine asthma severity and control. To the knowledge of Respiri, the wheezo® App is the first in the world to incorporate this into its ecosystem which provides a convenient way of clinically-accepted validation of the impact the wheezo device on helping patients manage their asthma. Although there is much more data to be collected, the initial results are very pleasing.

During the quarter, Respiri continued to advance discussions with potential marketing/distribution partners in the United States. Terms sheets have been provided to two Remote Patient Monitoring (RPM), Chronic Care organisations and discussions are advanced with three others. All have presented wheezo® to their customer bases and the responses have been positive. It is important to note that the go-to-market strategy in the USA will be based around physicians "prescribing" wheezo to their patients and not the Australian pharmacy model

Significant progress was also made in both commercialisation and clinical development partnership discussions in the United Kingdom. A significant clinical study has been agreed to with the University of Birmingham to investigate the correlation between wheeze and lung function. Terms have been agreed and Respiri is now finalising contracts. The purpose of the study is to continue to align wheeze, a new objective physiological parameter to other established norms. The study should have ethics and other approvals by Q1 2022 and commence soon after. The duration of the study should be around 6 months and involve between 100-200 patients. Data will be available in late 2002 and if successfully peer reviewed, published results should be available be early 2023. The Company is also planning a major partnership with a world-renowned institution to deliver a large real world health outcomes-based study with wheezo. Negotiations are complete and contracts are now being finalised.

The Company is now also in advanced discussions with a marketing/distribution partner for mainland Europe covering a group of countries with a population totalling approximately 150 million people. This organisation has established relationships with many multinational device manufacturers and importantly with KOLs and physicians which provide wheezo with a physician led market entry strategy through a company that has built these relationships over 11 years. The company also has experience in developing reimbursement strategies and submissions which will be key for a number of the countries they service.

Respiri continues to grow the Company's contracted pharmacy banner group footprint for making wheezo® available for sale to patients and commenced the rollout of the important in-pharmacy education and patient engagement programs that will aid with in-store pharmacist/patient engagement which includes both the Respiri Connect Care Nurse team and the roll out of the Pharmacy Platform Group's asthma professional service program that was developed in conjunction with Respiri. However, Covid 19 State lockdowns across the eastern seaboard have continued to hamper the roll out of these programs, which in turn has negatively impacted opportunities for wheezo® sales growth, which has been below Company expectations to date. Respiri is actively working with its sales and marketing partner Cipla on additional strategies aimed at increasing sales at the pharmacy level, as vaccination targets are met, and pharmacy business practices normalise once more. The Company is in active discussions with a number of additional pharmacy banner groups, representing a pharmacy footprint of over 2,500 stores across Australia.

An additional 12,500 wheezo® devices remain on track to be delivered by the end of October, and whilst the global supply shortfalls for STM chip inventory remain, the Company is assessing alternative design options for the manufacturing of wheezo® 4.0 to mitigate the impacts of STM chip shortages. The Respiri team has been investigating and testing alternative chip technologies to the STM chip. Tests are positive and a transition to the new technology will be completed for the next production run in Q1 CY2022. This will see Respiri bring forward wheezo® 4.0 and will result in improved COGS 6 months ahead of schedule. Important to note that this again was done cost effectively with the Company's internal expertise.

Corporate & Financial Highlights

During the quarter, the Company recorded operating cash outflows of $2.05 million, an increase of 8% versus the June quarter and up 110% over the prior corresponding period (pcp), however this prior year included the receipt of R&D tax incentive after allowing for this the actual net outflow it is an increase of 1%. The Company recorded $98,000 in cash receipts during the quarter. The Company expects to receive $495K in R&D tax incentive for the FY2021 period in Q4 CY2021.

Research and development expenditures of $0.2 million was down 12% versus the June quarter as a result of wheezo® manufacturing designs being completed but also include the development costs of the next generation wearable devices which again is testament to the Company's internal expertise and not requiring external consultants. Product and manufacturing costs reduced by 44% reflecting the timing of inventory purchase last quarter ahead of expected demand.

Advertising and marketing costs of $0.7 million increased by 115% versus the June quarter as a result of payments made for expenditure committed in previous periods directed towards education and awareness programs and supporting the progressive commercial roll-out of wheezo in Australia. Adjusting for these payments the actual committed costs in the September quarter as compared with the June quarter is down 64%. Of note is that this figure includes international launch expenses, which may be subject to Export Market Development Grant Scheme (EMDG) where expenses of up to $300K in a given financial year are eligible for a 50% rebate. Australian marketing expenses have been significantly reduced in response to the COVID 19 pandemic's impact on local operations until these headwinds are navigated.

Staff costs of $0.5 million were down 19% versus the June quarter while administration and corporate costs of $0.7 million were up 25% versus the June quarter reflecting year end compliance costs and annual listing fees.

There were no major investing or financing cash flows recorded for the quarter.

The Company closed the quarter with cash and cash equivalents of $5.9 million.

Payments to related parties of $0.2 million, consisted of fees payable to the Executive and Non-Executive Directors of the Company.

The Appendix 4C cash flow report is attached below.

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This ASX announcement dated 26 October 2021 has been authorised for release by the Board of Directors of Respiri Limited.

About Respiri Limited

Respiri 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. wheezo®, Respiri's innovative technology, comprises an eHealth app combined with a simple, easy to use, handheld device. wheezo® is the first smart device to help improve asthma management by monitoring wheeze and documenting symptoms, signs, triggers, weather conditions and medication use. The asthma management platform also facilitates the sharing of data with caregivers, physicians and other health care professionals.

Respiri'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. Respiri Limited's operations are based in Melbourne, Australia.

For additional information about Respiri and its products, please visit www.respiri.co

About wheezo®

Developed in Australia, with the support of respiratory specialists and other healthcare professionals, the innovative wheezo® device analyses breath sounds for wheeze, and the eHealth App assists patients with managing their asthma by tracking symptoms, triggers, medication use and geo-specific weather conditions. The platform has been designed to extend asthma management beyond the clinic and make it easy to share information with doctors and make appropriate adjustments to asthma action plans. Better active management may lead to better outcomes and improved quality of life for the asthma patient.

For further information about wheezo, follow the online link https://wheezo.com

® wheezo is a trademark of Respiri Limited.

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.

Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity	
Respiri Limited (ASX: RSH)	
ABN	**Quarter ended ("current quarter")**
98 009 234 173	30 September 2021

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (3 months) $A'000**
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	98	98
1.2	Payments for		
	(a) research and development	(175)	(175)
	(b) product manufacturing and operating costs	(158)	(158)
	(c) advertising and marketing	(611)	(611)
	(d) leased assets	-	-
	(e) staff costs	(503)	(503)
	(f) administration and corporate costs	(725)	(725)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	-	-
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	22	22
1.8	Other (provide details if material)	-	-
1.9	**Net cash from / (used in) operating activities**	**(2,052)**	**(2,052)**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	(1)	(1)
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter $A'000	Year to date (3 months) $A'000
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) 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**	**(1)**	**(1)**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings - Fundsquire	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other	-	-
3.10	**Net cash from / (used in) financing activities**	**-**	**-**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	7,957	7,957
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(2,052)	(2,052)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(1)	(1)

Consolidated statement of cash flows		Current quarter $A'000	Year to date (3 months) $A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-
4.5	Effect of movement in exchange rates on cash held	(11)	(11)
4.6	**Cash and cash equivalents at end of period**	**5,893**	**5,893**

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	5,893	5,893
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)**	**5,893**	**5,893**

6.	Payments to related parties of the entity and their associates	Current quarter $A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	183
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

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

7.	**Financing facilities** *Note: the term "facility' includes all forms of financing arrangements available to the entity.* *Add notes as necessary for an understanding of the sources of finance available to the entity.*	**Total facility amount at quarter end $A'000**	**Amount drawn at quarter end $A'000**
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	**Total financing facilities**	-	-

7.5	**Unused financing facilities available at quarter end**	-

7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.

8.	**Estimated cash available for future operating activities**	**$A'000**
8.1	Net cash from / (used in) operating activities (item 1.9)	(2,052)
8.2	Cash and cash equivalents at quarter end (item 4.6)	5,893
8.3	Unused finance facilities available at quarter end (item 7.5)	-
8.4	Total available funding (item 8.2 + item 8.3)	5,893
8.5	**Estimated quarters of funding available (item 8.4 divided by item 8.1)**	3

8.6 If item 8.5 is less than 2 quarters, please provide answers to the following questions:

8.6.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer: N/A

8.6.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer: N/A

8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: N/A

Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.

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.

Date: …… 26 October 2021 .....

Authorised by: By the Board of Respiri Limited

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.

2. If this quarterly cash flow 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 cash flow 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.

4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [*name of board committee – eg Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".

5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.