

CHAIRMAN'S ADDRESS

Directors are pleased to be able to provide you with an update for what has been a very busy and productive year for the Company. Excellent progress has been made towards the Company's objective to become the world's leading medical technology company that provides continuous and objective digital technology for the monitoring and management of asthma and other wheeze-based respiratory diseases.

In response to shareholder queries, I would like to stress that RespiRI does not diagnose asthma. It is universally agreed that there is no single diagnostic test for asthma as diagnosis requires an understanding of clinical history, physical examination and spirometry, often with challenge testing. RespiRI focusses on the monitoring of the key symptom of asthma wheeze and has world-class digital technology for better asthma care in children and adults already diagnosed with asthma.

RespiRI has a decade of experience in independent clinical research using its machine learning algorithms to detect and measure acoustic signatures including wheeze and cough. We have received regulatory approvals for all our clinical products. As a direct result of pioneering clinical work with our approved ARM™ system and devices used in leading international medical institutions such as Royal Brompton Hospital (UK), Massachusetts General (Boston US), Oakland Children's Hospital (California US) and Charité (Berlin Germany) to name a few, the broader medical community will be able to use our suite of devices with specific clinical conditions in patient populations who suffer from asthma and other chronic respiratory diseases. There are also very pleasing indications that our strategy to engage with key stakeholders in the UK, US, Europe and Asia is reaping benefits and will result in accelerated adoption of our progressive, machine learning ARM system.

Asthma kills, sometimes needlessly, and continues to afflict sufferers through outdated management and treatment plans, complacency and lack of progress on the existing standards of monitoring and management of symptoms and medication compliance. Throughout its history, RespiRI has been and is committed to developing and delivering, in consultation with key stakeholders around the world, a new and technologically advanced system that will assist in bringing better lifestyle and health benefits to sufferers of asthma and hopefully save lives.

Asthma is growing with over 300 million people globally suffering from the disease and the number expected to increase to over 400 million by 2020. Adults and children continue to suffer without the proper technology and system in place that will provide them with peace of mind that they are proactively managing their condition, symptoms and treatment.

Since the AGM held in November 2015 and the successful capital raising undertaken by the Company in June 2016, your directors have devoted their attention to executing the Company's business strategy to accelerate commercialisation.

Capital raised from our recent rights issue has been, and is employed to ensure our total technology platform is world class and attractive to partners. We operate in a high technology medical environment. My discussions with potential partners leave no doubt that this approach will drive shareholder value and is integral to successful commercialisation. Shareholders will note from the progress in all key areas reported below that we achieved excellent outcomes.

Our team and group of exceptional partner companies completed independent and objective integration testing of our next generation AirSonea® sensor and algorithms to ensure their accuracy and efficacy. Our sensor components were then reconfigured and software technology made more robust and scalable to support significant numbers of users over multiple locations.

Respiri then achieved a major milestone with an independent research study, conducted by the University of Chicago, confirming that the AirSonea day device can reliably detect and measure wheezing in subjects. This research study was conducted by a team led by the study principal investigator, Edward Naureckas MD, Professor of Medicine at the University of Chicago. The overall percentage agreement between a panel of certified pulmonary physicians and our AirSonea technology for the presence or absence of wheeze was an impressive 85%. This study commenced in November 2015 and was completed in August 2016.

This independent testing is pivotal in confirming and reinforcing the ability of our mobile technology platform to accurately detect wheeze, which is a primary symptom of asthma. This will provide stakeholders and users with the absolute confidence in the ARM system to be able to successfully and repeatedly measure wheeze and provide users with peace of mind and better understanding of their disease. This testing will also result in more rapid acceptance of our leading acoustic respiratory device, AirSonea, in the UK, US, Europe and Asia.

Throughout the year the Company accelerated the development of its user friendly, smart technology platform that acts as a digital diary app to provide vital monitoring features. The patient has a real time picture of their asthma in the palm of their hand and doctors have the complete picture to provide the best possible advice.

The Company has previously advised of the development of its wireless home monitoring test device, based on its clinical product the WHolter™. The WHolter is the world's first FDA approved device to record and quantify the presence of nocturnal wheeze and cough in patients in a clinical setting. The Company is focused on bringing together all of its world leading technology to deliver its continuous, objective digital monitoring and management platform that will give users and carers a complete picture of a sufferer's condition 24 hours a day (day & night).

The Company sees its home nocturnal device as a key part of the continuous monitoring and management system. Importantly, more than 70% of asthma deaths occur at night. Our revolutionary wireless device will provide a new and world leading means to quantify and monitor the presence of nocturnal wheeze and represents a very significant potential market.

We have also continued our active engagement and discussions with potential commercial partners who are pleased to see the attractiveness and benefit of our technology. The Company is completely focused and committed to progressing these discussions to the benefit of the Company and the acceleration of the commercialisation of our technology. These partners will be integral to the advancement of sale and distribution agreements across the regions of immediate focus, especially UK and Asia.

The commitment to these two regions is as a result of significant interest and opportunity from potential partners, stakeholder and medical profession. The UK is particularly attractive due to the history of usage and support for the Company and its devices by key medical professionals, as well as the centralised health system through the NHS which is looking to embrace advanced medical technology to help manage chronic disease out of hospital.

The interest from Asia is also strong due to the increasing rate of asthma and other chronic respiratory diseases in the population as a result of increased pollution and low and dangerous air quality. Both regions have health care systems that are committed to and focused on technological solutions that will be able to be distributed quickly and effectively. The Company is working diligently and expeditiously to progress partner discussions in the region as a core pillar of its commitment to accelerated commercialisation.

Digital technology delivered via smartphones has the potential to help people self-manage their asthma at scale through improved understanding of their condition, how to recognise and avoid their condition worsening and how they should respond and medicate (This was recently recognised in UK Asthma Foundation Report Aug 2016).

In summary, I would like to reiterate the key points from a document we released recently. Respiri has a clear product position in a major asthma segment (monitoring and symptom management with no current competitor), we target a major consumer need with our primary market of parents and carers of children and deliver outstanding world-class technology to solve a major global problem.

To conclude I want to reiterate the confidence your directors have in the Company and the execution of its strategy.

Further updates will be provided soon.

Questions

END