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# RESPIRI LIMITED

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## QUARTERLY REPORT – APPENDIX 4C FOR THE PERIOD TO 30 JUNE 2018

Please refer to the attached Appendix4C for the cash flow results for the Respiri Group for the period to 30 June,2018.

### HIGHLIGHTS FOR THE QUARTER:

- **Successful \$3.0m capital raise to fund last phase of Gen II device development**
- **Cash on hand at 30 June, 2018 \$2.4m, further strengthened by FY18 R&D tax incentive expected to be received in the next quarter**

### FINANCIAL COMMENTARY

The cash balance at the end of March 2018 was \$0.9m. During the quarter, the company completed a successful \$3.0m capital raising which has resulted in a very solid cash position with \$2.4m cash on hand at June 30, 2018.

On April 24, 2018 the company released a further announcement providing greater detail on proposed use of funds in accelerating all activity towards delivering on communicated key milestones. Expenditure and focus in this quarter has been consistent and aligned with this objective.

As a result, during the quarter the company incurred higher than forecast R&D costs associated with the early completion of the demonstration prototype (April) allowing acceleration of the next phase of development towards a fully functional medical device quality and manufacture ready product. Phasing of implementation of our Quality Management System and ISO13485 certification to facilitate regulatory approvals in target launch markets was anticipated and also incurred in this quarter. With higher R&D expenditure incurred, the FY18 R&D tax incentive expected to be received in the next quarter, will be at least in line with or higher than incentives received for prior years.

Higher than anticipated staff, administration and corporate costs this quarter are primarily due to earlier timing of insurance premiums and management travel, due to the demonstration prototype being available earlier than planned thus accelerating our overseas meeting schedules. As well, we had additional board related costs associated with CEO onboarding and board changes as outlined in the company's announcement dated 30 May, 2018. Otherwise, full year expenditures remained largely as planned.

With a strengthened cash position, Respiri remains on track to deliver on each major device development milestone to support the successful launch of the Gen II device by Q3 FY19 (Q1 2019 calendar year).

Mario Gattino  
Chief Executive Officer

## About Respiri Limited (ASX:RSH)

Respiri is a health technology company leading the way in the development of innovative devices and mobile health apps to improve the management of chronic and costly respiratory disorders such as asthma and COPD. Building on decades of experience in the research and development of cutting edge clinical products for hospitals, the company has first-mover advantage in providing broad access to its proprietary acoustic based clinical solutions for remote monitoring with the development of a suite of over-the-counter connected devices.

Health authorities universally agree that mHealth solutions can transform asthma care and health conscious consumers are rapidly embracing patient self-management with the aid of smartphones, the growth engine for Respiri's flagship product, AirSonea®. With the addition of new products, including a connected device for nocturnal monitoring in development, Respiri has a captive market, globally, of parents and carers of young children who cannot perform lung function tests. Respiri products have been cleared for use by the US Food and Drug Administration, the European Union CE, the Australian TGA and the commencement of an approval process for Asian markets has begun.

Respiri is especially proud of its recent de-risking of milestones. The substantial achievements over the past 18 months place Respiri in a lower risk position and on the cusp of commercialisation compared to the vast majority of medical device and biotech companies.

## 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 2018

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (.....months) \$A'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	-	2
1.2 Payments for		
(a) research and development	(945)	(2,276)
(b) product manufacturing and operating costs	-	-
(c) advertising and marketing	-	-
(d) leased assets	-	-
(e) staff costs	(182)	(486)
(f) administration and corporate costs	(279)	(1,011)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	2	15
1.5 Interest and other costs of finance paid	-	(1)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	1,687
1.8 Other (provide details if material)	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(1,404)</b>	<b>(2,070)</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	(3)
(b) businesses (see item 10)	-	-
(c) investments	-	-

Appendix 4C  
Quarterly report for entities subject to Listing Rule 4.7B

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (.....months) \$A'000
(d) intellectual property	-	-
(e) other non-current assets	-	-
<b>2.2 Proceeds from disposal of:</b>		
(a) property, plant and equipment	-	1
(b) businesses (see item 10)	-	-
(c) investments	-	-
(d) intellectual property	-	-
(e) other non-current assets	-	-
<b>2.3 Cash flows from loans to other entities</b>	-	-
<b>2.4 Dividends received (see note 3)</b>	-	-
<b>2.5 Other (provide details if material)</b>	-	-
<b>2.6 Net cash from / (used in) investing activities</b>	-	<b>(2)</b>
<b>3. Cash flows from financing activities</b>		
3.1 Proceeds from issues of shares	3,000	3,000
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	(55)	(55)
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)	-	-
<b>3.10 Net cash from / (used in) financing activities</b>	<b>2,945</b>	<b>2,945</b>
<b>4. Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1 Cash and cash equivalents at beginning of quarter/year to date	879	1,562
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(1,404)	(2,070)

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (.....months) \$A'000</b>
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	(2)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	2,945	2,945
4.5	Effect of movement in exchange rates on cash held	(1)	(16)
<b>4.6</b>	<b>Cash and cash equivalents at end of quarter</b>	<b>2,419</b>	<b>2,419</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	2,419	879
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>2,419</b>	<b>879</b>

<b>6.</b>	<b>Payments to directors of the entity and their associates</b>	<b>Current quarter \$A'000</b>
6.1	Aggregate amount of payments to these parties included in item 1.2	170
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	

CEO remuneration and Non-Executive Directors (including GST)

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

8. <b>Financing facilities available</b> <i>Add notes as necessary for an understanding of the position</i>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
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. <b>Estimated cash outflows for next quarter</b>	<b>\$A'000</b>
9.1 Research and development	1,125
9.2 Product manufacturing and operating costs	-
9.3 Advertising and marketing	-
9.4 Leased assets	-
9.5 Staff costs	179
9.6 Administration and corporate costs	282
9.7 Other (Transaction Costs)	24
<b>9.8 Total estimated cash outflows</b>	<b>1,610</b>

<b>10. Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)</b>	<b>Acquisitions</b>	<b>Disposals</b>
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: \_\_\_\_\_  
(Chief Executive Officer & Director)

Date: 30 July 2018

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.