

24th October 2024

September 2024 Quarterly Cash Flow and Quarterly Activities Report

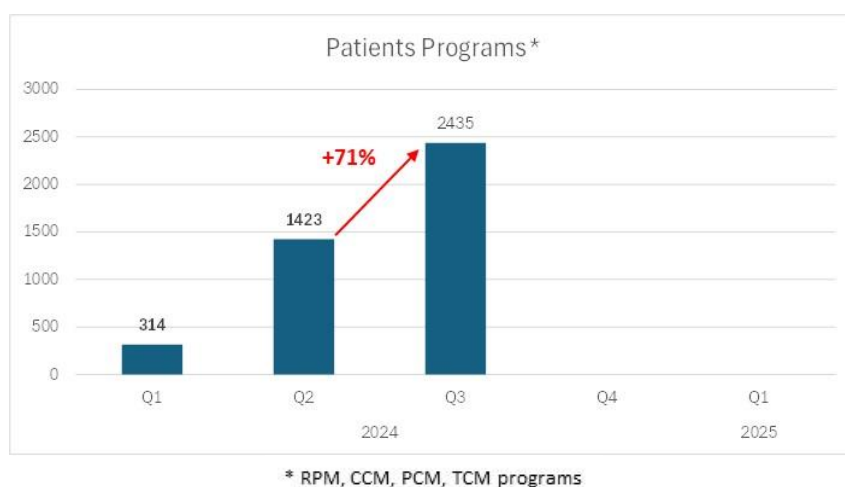
Respiri Limited (ASX:RSH; OTCQB:RSHUF) ("Respiri"), an eHealth Company supporting respiratory healthcare and Connected Care Management in the USA, provides the Appendix 4C quarterly cash flow and activities report for the 3-month period ended 30 September 2024.

Operating Highlights

- **RECORD PATIENT PROGRAM ENROLMENT:** 2,435 patient program enrolled, a 71% increase over the June Quarter.
- **REVENUE GROWTH:** September 2024 quarter revenues reached **AUD\$409K, +93%** on the June 2024 Quarter with **\$242K** received in cash receipts.
- **CLINICAL IMPACT:** Respiri remote programs contribute a **56%** reduction in rehospitalizations & **47%** drop in emergency room visits
- **NEW CLIENTS:** Added 3 new clients, bringing the total to **29**, with expected additional annualised recurring revenues of **AUD\$2.6M+ once patients are onboarded**
- **PARTNERSHIP PROGRESS:** Strengthened collaboration with Ceras Healthcare to enhance operational efficiencies and expand customer reach.

Key Performance Indices & Commercial Highlights

Respiri continues to deliver strong growth in total patient program enrolment at, **2,435, 71%** growth over the previous quarter. These programs include, Chronic Care Management (CCM), Remote Patient Monitoring (RPM), Principal Care Management (PCM) and Transitional Care Management (TCM) all of which are reimbursed by Centers of Medicare and Medicaid (CMS). Building on the strong momentum delivered in the June Quarter, this further validates the Company's strategy and strong executional track record which it believes will help deliver monthly profitability in the coming months.



A new, more streamlined patient recruitment and onboarding process was fully executed in early September resulting in a significant increase in the potential volume of patient contacts to 1,000/week with onboarding conversion rates at 35% and ahead of the original 30% forecast achieved by month end. This

model is anticipated to deliver the higher onboarding rates throughout the coming quarter and is readily scaled to meet increased demand with anticipated scaling to manage upwards of **2,000/week expected in Q1, 2025** when the first of Company's ACO (Accountable Care Organisation) risk-contracts and other additional major new contracts are forecast to commence.

Reimbursed patient services qualification is based on a 30-day period from the start of each patient's program, not a calendar month. Patients are initially commenced on a single reimbursed program with other services added as the relationship between patient and Respiri Care Coordinator grows over a few months. These patient pathway factors result in a lag in revenue generation from onboarding. The newly designed onboarding process resulted in a significant increase in patient onboarding in September. These factors together with the growing number of new patients and clients that will continue to be onboarded will see numbers and associated revenues continue to grow significantly in the December quarter.

New and existing Clients: Respiri currently has some 8,000 client-identified patients waiting to be enrolled into programs and this list continues to grow, providing significant immediate growth opportunity for Respiri.

The Company is in late-stage patient-engagement execution with 2 Skilled Nursing Facilities (SNF) (ASX Announcement 23 September 2024) and Covenant Health representing additional initial patient opportunity of 3000+. All three clients' patient recruitment programs will Go-Live from October 2024.

The SNF programs are Clinic in Cloud (CiC) business solutions, designed to streamline patient onboarding and engagement and also improve per patient per month (pppm) revenues from forecast US\$70-US\$100 to **US\$130-US\$220**. There are 42 Skilled Nursing Facilities in Hawaii, discharging **approximately 25,000 patients** every year, all with similar patient management requirements to those contracted and discussions to expand this model to a significantly larger proportion of these important clinical facilities are advanced.

The Covenant Health contract will see 750+ patients commenced on the program which will generate approximately **US \$720,000 (~A\$1.1M)** in annualised revenues at a ppm of about **US\$80**. These services will commence in October and are expected to grow significantly from the **2,200** average annual hospital discharges and **18,515** Medicare-insured patients, that the Covenant healthcare system manages. The Covenant contract is an immediate and significant revenue contribution to the Company's pursuit of monthly profitability.

Clinic-in-Cloud (CiC): Throughout the quarter, Respiri continued to expand its CiC offering, working with its partners to expedite the required state-specific credentialing with Centers of Medicare and Medicaid Services (CMS), to support reimbursement for services delivered for one or more of Respiri's Connected Care Management Programs (i.e. RPM, CCM etc).

This expanded service is generating revenues of approximately US\$190 per patient per month (pppm). The CiC service helps mitigate many of the operational choke points that can exist with clients which have historically hampered program roll out with some of Respiri's earlier clients.

Strategic Partnerships: During the quarter Respiri announced it entered a partnership with Ceras Healthcare (Ceras), a leading, Boston-based healthcare technology organisation. The Ceras/Respiri collaboration brings together complementary expertise to create worldclass solutions for healthcare customers and will continue to drive significant patient and revenue growth, in addition to operational improvements with existing and new clientele.

Reduced Healthcare Events: During the quarter, Respi-led programs were shown to meaningfully reduce healthcare events which are likely to lead to reductions in healthcare costs for payors/insurers, highlighting the significant financial impetus for such clients to engage Respi's services. Key recorded metrics are:

- **56%** reduction in rehospitalizations
- **42%** reduction in length of hospital stay.
- **47%** reduction in emergency room visits
- **91%** improvement in medication compliance

Rehospitalization is a major outcome focus for Centers of Medicare and Medicaid (CMS). This parameter is used as a proxy-measure for the effectiveness of hospital patient healthcare provision. Effective discharge and transition to home care is the most cost-effective mode of patient management. CMS imposes significant fines on hospitals for breaching accepted levels of readmission with more than 50% of hospitals in the USA being fined.

The cost of hospitalisation is considerable and a primary concern for clients on risk share/value-based agreement with payors/insurers. **Respi is in advanced discussions with 4 such major organisations** and the above results have been well received by these clients.

US operations update

Strong patient growth necessitates continued growth of the Company's clinical and client success teams to support its business activities. The Company is also piloting Artificial Intelligence and Voice Recognition technologies to optimise patient onboarding and clinical engagement by augmenting the activities of the highly skilled nursing and other Company staff to improve patient engagement abilities and drive revenue billings.

Respi clinical Staff (Care Coordinators) deliver patient care on behalf of our clients and manage up to 270 patients per month. The cost of clinical staff ranges from US\$50K to US\$70K depending on qualifications and each Care Coordinator generates US\$200K-US\$250K pa.

Respi's growing Client Success Team is critical to delivering on the Company's strategic objectives. With a rapidly growing client list, the need for continued Client management is important, across all phases of client life cycle and also provides the Company with cross-sell opportunities to drive immediate additional revenues and improved ppm.

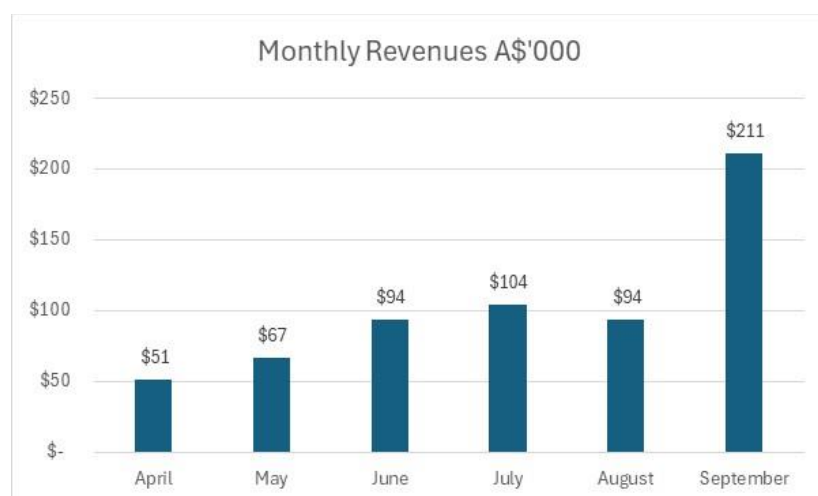
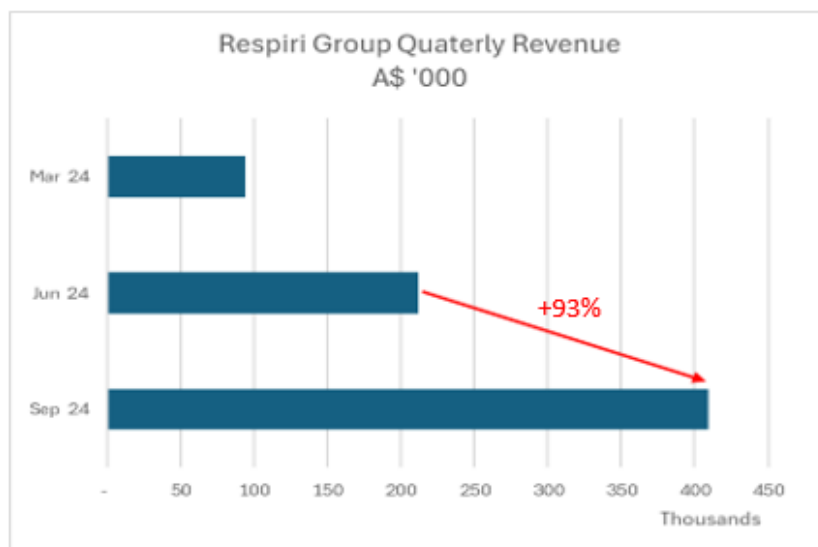
Wearable clinical study update.

The new wearable device clinical study first patient enrolment was slightly delayed due to final ethics approval delays not under Respi control which is now anticipated in October 2024. The study plans to enrol 30-40 patients who will be given devices and monitored for one month. Led by Dr Scott Parrish of Fox Valley Pulmonology Medicine Clinic, in Wisconsin, study is expected to be completed in 6 months.

The study's objective is to capture patient device data linked to diarised patient clinical events that will allow Artificial Intelligence (AI) predictive algorithms to be validated and tuned. These data will be used in the FDA regulatory submission which is anticipated to be submitted by mid-2025 with approval anticipated in Q1 2026. The wearable device will provide significant utility in monitoring respiratory patients during the transitions of care from hospitals and SNFs to the home. The wearable will not replace wheezo® but add to the unique proprietary medical device portfolio that will continue to differentiate Respi's value proposition and broader Connected Care Management Program offering.

Corporate & Financial Highlights

Receipts from customers were **A\$242K** and revenues for the September 2024 quarter of **A\$409K**, a **93%** increase over the previous quarter. The newly enhanced patient recruitment and onboarding procedures and the increased healthcare organisation client portfolio have driven significant revenue increases for the quarter, peaking in September 2024 with **monthly revenues of \$211K**.



The group has debtors owing of \$0.341 million at September 2024 quarter end expected to be collected post quarter end and research and development incentive of \$0.6m also expected to be received post quarter end.

Operating cash outflows of \$2.42 million for the September 2024 quarter have increased by \$0.69 million compared to the previous quarter. Research and development expenditures of \$0.23 million have increased by \$0.08 million compared to the previous quarter. Product and manufacturing costs of \$0.14 million are up by \$0.09 million from June 2024 quarter.

Staff costs of \$1.14 million increased by \$0.11 million compared to the prior quarter due to additional

headcount in the US that is required to deliver the increased remote patient monitoring services to existing, new and anticipated clients. Administration and corporate costs of \$1.10 million represent an increase compared to the prior quarter due to timing of payments and year end compliance costs incurred this quarter.

The Company closed the quarter with cash and cash equivalents of \$1.2 million and \$2.7m of finished goods inventory and prepaid materials. **Post quarter end the company has raised an additional \$1.6m from a strategic placement from biotech fund, Merchant and other investors, as announced on 15th October 2024.**

Payments included at Section 6.1 of the accompanying Appendix 4C to related parties of \$0.196 million, consisting of fees payable to the Executive and Non-Executive Directors of the Company.

The Appendix 4C cash flow report is attached below.

- ENDS -

For further information, investors and media please contact:

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

About Respiri Limited

Respiri Limited (ASX:RSH, OTCQB:RSHUF) is an international e-Health SaaS company supporting respiratory health management focusing primarily on supporting the US remote patient monitoring market. Its world-first technology detects wheeze, a typical symptom of Asthma, COPD and respiratory disease to provide an objective measure of airway limitation. Respiri created technology optimises how patients in partnership with their physicians manage chronic respiratory conditions. These solutions can help transform the way physicians interact with respiratory patients while they are away from the clinic. wheezo®, is an FDA cleared Class II Medical Device, the respiri™ app (patient-user-interface) and the secure health portal can help different health organisations and providers connect with patients to improve collaboration and help improve respiratory condition management. In the USA, wheezo® can be integrated into Remote Patient Monitoring (RPM) programs and qualifies for RPM Current Procedural Terminology (CPT) reimbursement.

Respiri's mission is to help improve quality of life for hundreds of millions of children and adults around the world with respiratory disorders and dramatically reduce hospital admissions and the economic burden of Asthma and COPD. Respiri Limited's operations are based in Melbourne, Australia with offices in New York City, USA.

For additional information about Respiri Limited please visit our corporate website www.respiri.co/au

About wheezo®

Developed in Australia, with the support of an international panel of leading respiratory specialists and other healthcare professionals, the innovative wheezo® device analyses breath sounds for wheeze, and the intuitive mobile application engages patients to log symptoms and triggers to build a personal profile to share data with healthcare providers so patients and physicians can have more informed discussions in relation to symptoms. The platform has been designed to extend care beyond the clinic which may lead to better health outcomes and improved quality of life for patients.

For information about our product offering in the US including wheezo® please visit www.respiri.co/us

wheezo® is a registered trademark of Respiro 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 Respiro current expectations, estimates and projections about the industry in which Respiro 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 Respiro, are difficult to predict and could cause actual results to differ materially from those expressed or forecasted in the forward-looking statements. Respiro cautions shareholders and prospective shareholders not to place undue reliance on these forward-looking statements, which reflect the view of Respiro 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. Respiro 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

98 009 234 173

Quarter ended ("current quarter")

30 September 2024

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	242	242
1.2 Payments for		
(a) research and development	(229)	(229)
(b) product manufacturing and operating costs	(145)	(145)
(c) advertising and marketing	(49)	(49)
(d) leased assets	-	-
(e) staff costs	(1,137)	(1,137)
(f) administration and corporate costs	(1,101)	(1,101)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	3	3
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(2,416)	(2,416)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	-	-
(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	-	-

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	2,997	2,997
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	(114)	(114)
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	-	-
3.10	Net cash from / (used in) financing activities	2,883	2,883

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	767	767
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(2,416)	(2,416)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-

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)	2,883	2,883
4.5	Effect of movement in exchange rates on cash held	(10)	(10)
4.6	Cash and cash equivalents at end of period	1,224	1,224

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	1,224	767
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)	1,224	767

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	196
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 <i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i> <i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	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)	(2,416)
8.2	Cash and cash equivalents at quarter end (item 4.6)	1,224
8.3	Unused finance facilities available at quarter end (item 7.5)	-
8.4	Total available funding (item 8.2 + item 8.3)	1,224
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1)	0
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: Yes. Respi continues to collaborate with US medical institutions on advancing business and future revenue opportunities via its wheezo RPM program.	
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: YES. Subsequent to the end of the quarter, the Company announced that it had received commitments for a Placement of \$1.6 million from professional and sophisticated investors.	
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: YES. The company expects to continue operating and meet its business objectives using equity raised from its planned US listing and an increase in revenues following the acquisition of Access Telehealth.	
	<i>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.</i>	

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.

24 October 2024

Date:

Authorised by: By the Board of Respire 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.