

27th July 2017

## Commencing the last step to commercialisation

The directors of Respiro are confident that their decision today to commit resources to the development of a next generation breath sensor to replace the 2013 model strongly positions the company for commercialisation and the delivery of revenue streams from sales and distribution agreements and/or technology partnerships with respected global leaders.

- Resources committed to develop an enhanced breath sensor
- Delivers a market ready product with an advanced breath sensor to transfer sound to our clinically validated software technology
- Funded by a significantly improved cash position following the receipt of a research and development tax incentives
- Provides a much stronger negotiating position for Respiro to deliver revenue via sales and distribution agreements or technology partnerships with leading global partners

## Committed resources to next generation breath sensor

Respiro has developed a world-class software platform and now resources will be directed towards the second component of the technology package. Whilst there have been significant technology changes to the 2013 AirSonea breath sensor device that received regulatory approval for sales in Europe, it is imperative that Respiro integrates the latest technology components to maintain our competitive edge in a rapidly evolving technological environment.

Our extensive market research continues to strongly indicate that there is an unmet need for an over-the-counter, smart symptom monitoring product that will support patient compliance with asthma plans and complement drug delivery products such as prescription smart inhalers.

## Delivers the final step of a market ready product with advanced sensor and clinically validated software platform.

This over-the-counter breath sensor captures and transmits breath sounds to our state of the art software technology platform.

Respiro's core software platform to detect and measure wheeze is clinically validated in leading research publications and used in major hospitals globally. The software uses proprietary algorithms and analytics to quickly, easily and objectively measure the major symptom of asthma, wheeze. The latest generation app allows users to set preventer medication reminders, log symptoms, allergic triggers and reliever medication doses. This provides a complete digital asthma history securely stored in the cloud.

The development of a market ready device and the company's successful history of regulatory approvals sets Respiro apart from most companies in the medtech & biotech industries that are still undergoing various trials. Efforts are focused on fast tracking this hand device development, which is expected to take a minimum of six months.

## Funded by improved cash position

Cash at bank as at 24th July 2017 is \$2.2M and the company's forecast cash flow includes additional research & development tax incentives of \$600,000 in the next six months. Forecast net cash burn is approximately \$100,000 per month, subject to timing of R&D expenditures & incentives.

## Places Respiri in a stronger position to negotiate partnership proposals

A market ready product comprising an advanced new model breath sensor and a clinically proven technology platform, including the algorithm and consumer app, places Respiri in a much stronger position to negotiate the best deal for shareholders.

Partnership negotiations are proceeding satisfactorily. However, the Board stress that negotiations, often with global leaders and involving both country and cross border partners, always take time to achieve the best outcome for shareholders.

Respiri has previously advised that it has received a written commercial-in-confidence proposal to establish a partnership vehicle in China. Subsequent variations have been extended to include global considerations. The potential deal structure is complex, involves at least six parties and requires detailed negotiations over an extended period ranging over several months.

Respiri continues to receive expressions of interest from other parties that also require detailed evaluation and discussion.

Jenni Lightowlers  
Company Secretary  
Ph: 1800 476 632

## About Respi Limited

Respi Limited (ASX:RSH) is a medical 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 Respi's flagship product, AirSonea®. With the addition of new products, including a connected device for nocturnal monitoring in development, Respi has a captive market, globally, of parents and carers of young children who cannot perform lung function tests. Respi 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.