

ASX Announcement  
(ASX:RSH)  
Date: 10 April 2018

## RESPIRI LIMITED | \$3.0m SHARE PLACEMENT

Respiri Limited (ASX: RSH) is pleased to announce it has successfully conducted a \$3.0m million capital raising via a private placement to sophisticated and professional investors at 8.0cts per share. The strategic significance of the raising is that it provides the Company the financial capacity to progress to the launch AirSonea Gen II, which is scheduled for early 2019.

### Successful capital raising with new valued shareholders

The 37,500,000 additional placement shares comprise 8.65% of the issued capital (pre-raising). Post settlement of the placement, the Company's capital structure will be 470,883,224 fully-paid ordinary shares and 44,000,000 options. Pleasingly, the company has attracted new valued shareholders via the placement who are anticipated to be long term supporters of the Company.

Commenting on the placement, RSH CEO Mario Gattino said, "The capital raising provides Respiri with the balance sheet strength and flexibility to execute our plan for the demonstration and initial market launch of the AirSonea Gen II through to Q1/2019. A summary of this plan was outlined in the ASX announcement *CEO 100 Day Announcement, 5 March 2018*".

### Working prototype ahead of expectations

The Company previously announced that the milestone 'initial functioning demonstration quality prototype of the AirSonea Gen II for technology demonstration purposes with partner(s) and investors' is on track to be achieved prior to the end of Q2/2018. This milestone is progressing ahead of expectations and the Company updates this timeline to the end of May 2018.

There is a clear runway to progress from prototype to commercial launch and the capital raising allows the Company to accelerate our activity across the stated milestones to optimise the company's execution of the plan.

### MAJOR MILESTONES & INFLECTION POINTS

AIRSONEA GENERATION II	2018
Initial functioning demonstration quality prototype for technology demonstration purposes with partners & investors	Q2
Fully functional medical device quality prototype with design completed	Q3
Attend major industry tradeshows and healthcare conferences to showcase and generate interest for AirSonea Gen II with investors, customers and potentials partners	Q3
Manufacturing package and limited production of verification units by contract manufacturer	Q3
One or more Memoranda of Understanding (MOU) or Letter of Intent (LOI) for collaboration will be established with targeted development & commercialisation partners to advance AirSonea Gen II	Q3
Final design updates and verification testing and ideally handover to preferred manufacturing partners in key target regions. (Initial manufacturing planned to take place in Australia, with export to target market(s).	Q4
Finalise planning and launch a significant pilot program in a major market (e.g. UK, Germany, US) to establish value proposition of AirSonea Gen II. (Observational community-based studies compared to current practice)	Q4
Regulatory approval processes	Q3/4

*Extract from CEO 100 Day Announcement 5 March 2018*

### Meeting a key milestone

In the recently announced *100 day CEO presentation*, it was highlighted that the R&D history of the company means that any product that we "greenlight" today is already 50%-60% completed. The Overnight Consumer Monitor is even further along and with the proceeds of the placement, we anticipate further progression towards completion of this second product.

After completion of the working prototype, the Company's focus turns to the work that is required to achieve the finished medical device, capacity to manufacture 1000+ units to highest quality standards and obtain regulatory approval in target markets for successful commercial launch in Q1/2019.

**It needs to be highlighted that the working prototype milestone is significant in that it will be the first fully functional product, with demonstrations expected to generate greater understanding and confidence in the product from investors, consumers, health bodies, and potential industry partners.**

## **More detail on the proposed use of placement proceeds**

- Augmentation of existing funds to complete development of the AirSonia Gen II
- Development of Android platform to parity with existing IOS platform, in effect doubling the size of our target market at launch based on current distribution of smartphones
- Appointment of a Quality Assurance & Regulatory Manager on a contract basis to establish our Quality Management System and ISO13485 certification and facilitate regulatory approvals in target launch markets
- Early collaboration with identified Australian manufacturer to facilitate a smooth transfer from developers to high capacity manufacturing capabilities (e.g. purchase of new tooling, bulk quantities of components, batch testing etc.)
- Review and expansion of our multifaceted intellectual property by registering new patents, adding to our existing trade secrets and proprietary information, trademarks and copyright, ensuring highest barriers to competition in the geographies where we choose to launch
- Preparation of commercialisation strategy 9 - 12 months in advance of planned launch date (e.g. market research, online platform strategy, consumer and media campaigns, promotional materials, partnerships, distribution, brand ambassadors, asthma association support / collaboration)
- Appointment of UK based Business Development Manager on a contract basis to facilitate and expedite observational, real world community studies of the AirSonea Gen 2 compared to current practice
- Continued development of additional products including the Overnight Monitor

### **Key Placement Details:**

Placement Price:	8.0 cts per share (14% discount to 9.3 cent 15 day VWAP up to include 4 April 2018)
No of Securities:	37,500,000 fully paid ordinary shares
Proceeds of the Placement:	\$3.0 million (before placement costs)
Lead Manager:	Fawkner Capital

With the important working prototype milestone not far away, the Company looks forward to further updating the market of the development plans and strategy to launch AirSonea Gen II.

**Mario Gattino**  
**CEO and Director**

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## 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

## 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's 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.