29 September 2017

Dear Shareholders,

It has been a challenging end to a very productive year for ResApp. Our technology matured at a rapid pace as we launched adult studies and developed the ability to diagnose an even broader array of diseases. Our paediatric SMARTCOUGH-C study, run with the support of three world-leading US hospitals, unfortunately proved to be neither an accurate nor reliable evaluation of our technology due to issues encountered during study execution. The response by our employees, scientific advisors and hospital partners has been outstanding and we now have a detailed understanding of these issues. We have great confidence in the performance of our algorithms, as evidenced by our Australian studies, and in conjunction with our partners we have very carefully designed a robust follow-on study, which is due to commence before the start of the US winter. The support provided by our principal investigators has been very encouraging and we are pleased to note that all of them will participate in the follow-on study.

We have recruited more than 2,600 patients in our Australian adult and paediatric clinical studies, representing an outstanding achievement by the Australian clinical teams. This volume of data combined with the analysis work performed by Dr Udantha Abeyratne and his team at The University of Queensland not only reaffirms our confidence in the performance of our core technology, but also provides a rich, high quality dataset for developing additional enhancements in the future.

To broaden our strategy even further we have collaborated with the clinical teams led by Dr Paul Porter at Joondalup Health Campus and Princess Margaret Hospital in Perth to reconfigure our Australian paediatric study to be a double-blind, prospective study that can directly support European (CE) and Australian (TGA) regulatory filings. Within this context we are also excited to be working with the health researchers at Curtin University to provide independent statistical analysis of that study.

The tailwinds of digital health and telehealth continue to propel ResApp's commercial potential. Healthcare payers look for digital health products that provide real actionable clinical insight and value. We believe that our technology fits this paradigm extremely well since it provides a clear diagnostic result to clinicians for many diseases where there are no 'gold standard' tests and traditional methods are neither accurate nor timely. This, coupled with the cost savings of delivering healthcare via telehealth or in traditional settings using low-cost mass-market smartphones, provides a compelling value proposition. Smartphone manufacturers continue to innovate, increasing processing power and sensor quality in short product development cycles – giving us a more powerful hardware platform to deploy our technology with every cycle. We expect continued interest from smartphone manufacturers in healthcare as these sensors begin to replace measurements traditionally obtained using standalone medical devices and provide clinicians the opportunity to take measurements anywhere and anytime.

As always, we see the potential of our technology to improve the lives of those with limited access to healthcare. A report recently published in the medical journal The Lancet Infectious Diseases estimated that lower respiratory tract infections (pneumonia and bronchiolitis) caused 2.75 million deaths globally in 2015, making them the fifth leading cause of death and the leading infectious cause of death, with sub-Saharan Africa and south Asia being most affected.

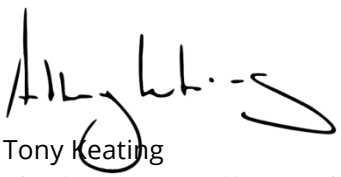
The expertise of our wider team is growing. Not only have we expanded our software development and management teams based in our Brisbane office, but we also work closely with the research team at The University of Queensland and our clinical study principal investigators in Australia and the US. Dr Abeyratne now spends 50% of his time directly in the company as Chief Scientist and his expertise is helping shape our algorithm development plans. In August, we welcomed Dr Philip Currie to the scientific advisory board; Dr Currie has extensive experience in medical research at leading US hospitals and adds invaluable clinical expertise to our team. We continue to look for opportunities to broaden our knowledge and proficiency.

Cash management has always been closely watched and we are pleased to confirm that our disciplined approach has left us well-funded to complete our clinical programs. We have also benefited from the Australian Federal Government's Research and Development (R&D) Tax Incentive program, which provides a cash rebate on eligible R&D activities by Australian companies. While we do not rely on this funding, it does provide a valuable incentive for us to continue to invest in R&D in Australia.

The next twelve months will be very busy and exciting for ResApp. Our refined US paediatric clinical study is expected to begin shortly and will provide the clinical data for our US FDA submission. Our Australian paediatric clinical study is recruiting patients and will provide the clinical data for our CE and TGA submissions, and we are finalising the design for an adult clinical study to provide data for FDA, CE and TGA submissions.

It has only been a little over two years since ResApp was spun out of The University of Queensland. Our hard-working team continues to make excellent progress towards our long-term goal of improving healthcare for all through advances in technology. We believe that with this ambition in mind, we can achieve stellar commercial growth and strong returns for our shareholders. We look forward to continuing this journey with you.

Sincerely,



Tony Keating
Chief Executive Officer and Managing Director
ResApp Health Limited