

## Update for the Quarter Ending 30 June 2018

**Brisbane, Australia, 31 July 2018** -- ResApp Health Limited (ASX:RAP), a leading digital health company developing smartphone applications for the diagnosis and management of respiratory disease, is pleased to provide an update on the company's activities during the quarter ending 30 June 2018.

Tony Keating, CEO and Managing Director of ResApp commented on the quarter, "This quarter was focused on continued recruitment in our SMARTCOUGH-C-2 and Breathe Easy clinical studies. Both studies are expected to complete recruitment at the end of July. We have taken additional care in monitoring the quality of the audio recorded in both studies and were pleased to announce in May that only 1% of recordings in the SMARTCOUGH-C-2 study were found to be unacceptable. During the quarter we were also pleased to announce excellent preliminary results from our obstructive sleep apnoea (OSA) clinical program. We expect results from three pivotal clinical studies this quarter and are excited about the potential commercial opportunities that these open up for us."

### **US SMARTCOUGH-C-2 Clinical Study**

ResApp's prospective, multi-site, double-blind study evaluating the efficacy of its ResAppDx smartphone application for the diagnosis of childhood respiratory disease actively recruited patients at three hospitals in the United States during the quarter. On May 13, ResApp reported that it had recruited 1,277 patients. Quality assurance of the cough audio recordings had been performed on-site weekly with a sample of the recordings also reviewed directly by ResApp. ResApp reported in May that only approximately 1% of recordings had been identified as unacceptable. Recruitment is on-track to complete in July with results to be reported soon afterwards, following the finalisation of clinical adjudication and data verification.

### **Australian Breathe Easy Clinical Study**

As announced in September 2017, the Australian Breathe Easy study is now a prospective, double-blind study and will be used to support European (CE) and Australian (TGA) regulatory filings. The study had recruited 603 paediatric patients as of June 27. Target numbers of patients for lower respiratory tract disease, lower respiratory tract infection, asthma/reactive airway disease and bronchiolitis had been exceeded. Recruitment continued in July to increase the number of patients with pneumonia, croup and upper respiratory tract infection to target levels with results to be reported soon after. ResApp also reported in June that it had recruited 567 adults in the study.

### **Obstructive Sleep Apnoea**

During the quarter, ResApp announced preliminary results from a proof-of-concept study in obstructive sleep apnoea (OSA). Sleep apnoea is widespread, affecting more than three in ten men and nearly two in ten women, yet 80% of people who suffer from moderate or severe sleep apnoea remain undiagnosed. Preliminary results from a newly-developed sound-based



algorithm showed 86% sensitivity and 83% specificity for identifying moderate and severe OSA using only a smartphone placed on a bedside table. Subsequent to the end of the quarter, ResApp announced that it had recruited 312 patients in a double-blind, prospective study and that it expected to reach its target of 500 patients and report results in the third quarter of this calendar year.

### **Partnerships**

In April, ResApp announced that it had signed a letter of intent with a German private hospital network to run a pilot project to test the applicability and integration of ResAppDx within a German hospital environment. The project will provide ResApp with invaluable insight into European clinical practice and hospital operations. In June, an initial kick-off meeting was held with key stakeholders from the hospital group.

### **Financials**

With \$3.4 million cash at the end of the quarter, ResApp is well-funded to execute its clinical strategy. A large portion of ResApp's FY18 expenditure has been on research and development and is expected to be eligible under the Australian Federal Government's R&D Tax Incentive program which provides a cash refund on eligible research and development activities.

### **About ResApp Health Limited**

ResApp Health Limited (ASX: RAP) is a digital health company developing smartphone applications for the diagnosis and management of respiratory disease. ResApp's machine learning algorithms use sound to diagnose and measure the severity of respiratory conditions without the need for additional hardware. Clinical studies underway at leading hospitals in the United States and Australia have demonstrated accurate diagnosis of pneumonia, asthma/reactive airway disease, bronchiolitis, croup, chronic obstructive pulmonary disease and upper respiratory tract infections. ResApp has also obtained excellent results for screening of obstructive sleep apnoea in a proof-of-concept clinical study. Potential customers of ResApp's products include healthcare providers in telehealth, emergency department, urgent care and primary care settings as well as humanitarian organisations in the developing world.

For more information on ResApp, visit [www.resapphealth.com.au](http://www.resapphealth.com.au)

### **Contacts**

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## 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**

**ResApp Health Limited**

**ABN**

**51 094 468 318**

**Quarter ended ("current quarter")**

**30 June 2018**

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (12 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) research and development	(1,028)	(3,627)
(b) product manufacturing and operating costs	-	-
(c) advertising and marketing (see note 4)	-	8
(d) leased assets	-	-
(e) staff costs	(468)	(1,744)
(f) administration and corporate costs	(103)	(1,081)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	34	108
1.5 Interest and other costs of finance paid	(1)	(4)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other – R&D rebate	690	1,206
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(876)</b>	<b>(5,133)</b>

<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	-
(b) businesses (see item 10)	-	-
(c) investments	-	-

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
(d) intellectual property	-	-
(e) other non-current assets	-	-
<b>2.2</b> Proceeds from disposal of:		
(a) property, plant and equipment	-	-
(b) businesses (see item 10)	-	-
(c) investments	-	-
(d) intellectual property	-	-
(e) other non-current assets	-	-
<b>2.3</b> Cash flows from loans to other entities	-	-
<b>2.4</b> Dividends received (see note 3)	-	-
<b>2.5</b> Other (provide details if material)	-	-
<b>2.6</b> <b>Net cash from / (used in) investing activities</b>	-	-

<b>3. Cash flows from financing activities</b>		
3.1 Proceeds from issues of shares	-	-
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	-	(6)
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</b> <b>Net cash from / (used in) financing activities</b>	-	(6)

<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	4,291	8,555
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(876)	(5,133)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4 Net cash from / (used in) financing activities (item 3.10 above)	-	(6)

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (12 months) \$A'000</b>
4.5	Effect of movement in exchange rates on cash held	-	-
<b>4.6</b>	<b>Cash and cash equivalents at end of quarter</b>	<b>3,415</b>	<b>3,415</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	3,415	4,291
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>3,415</b>	<b>4,291</b>

**6. Payments to directors of the entity and their associates**

<b>Current quarter \$A'000</b>
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6.1 Aggregate amount of payments to these parties included in item 1.2

93
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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

- |   |
|---|
| <ol style="list-style-type: none"> <li>1. Director fees, salary and super; and</li> <li>2. Consultancy fees.</li> </ol> |
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**7. Payments to related entities of the entity and their associates**

<b>Current quarter \$A'000</b>
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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

8. <b>Financing facilities available</b> <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
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.		

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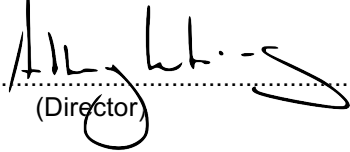
9. <b>Estimated cash outflows for next quarter</b>	\$A'000
9.1 Research and development	(880)
9.2 Product manufacturing and operating costs	-
9.3 Advertising and marketing	-
9.4 Leased assets	-
9.5 Staff costs	(502)
9.6 Administration and corporate costs	(223)
9.7 Other (provide details if material)	-
<b>9.8 Total estimated cash outflows</b>	<b>(1,605)</b>

10. <b>Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)</b>	Acquisitions	Disposals
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:

  
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(Director)

Date: 31 July 2018

Print name: Tony Keating

**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.