

APPENDIX 4D

Half-year report for the period ended 31 December 2018

1. Name of entity

RESAPP HEALTH LIMITED

ABN	Reporting Period	Previous Corresponding Period
51 094 468 318	Half year ended 31 December 2018	Half year ended 31 December 2017

2. Results for Announcement to the Market

Financial Results	Up / Down	% Change	31 December 2018
Revenues from ordinary activities (<i>item 2.1</i>)	Down	38.66%	to 34,742
Loss from ordinary activities after tax attributable to members (<i>item 2.2</i>)	Up	4.5%	to (3,330,307)
Net loss for the period attributable to members (<i>item 2.3</i>)	Up	4.5%	to (3,330,307)
Final and interim dividends (<i>item 2.4</i>)	It is not proposed that either a final or interim dividend be paid.		
Record date for determining entitlements to the dividend (<i>item 2.5</i>)	N/A		
Brief explanation of any of the figures reported above (<i>item 2.6</i>):	The current loss for the period is consistent with the operations of the Group and also takes into account the estimated R&D rebate receivable.		

3. NTA Backing

	Current Period	Previous Corresponding Period
Net tangible assets per ordinary share (<i>Item 3</i>)	1.06 cents	0.98 cents

4. Control gained over entities

Details of entities over which control has been gained or lost (<i>item 4</i>)	N/A
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5. Dividends paid and payable

Details of dividends or distribution payments (<i>item 5</i>)	No dividends or distributions are payable.
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6. Dividend reinvestment plans

Details of dividend or distribution reinvestment plans (<i>item 6</i>)	There is no dividend reinvestment program in operation for ResApp Health Limited.
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7. Details of associates

Details of associates and joint venture entities (<i>item 7</i>)	N/A
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8. Foreign entities

Foreign entities to disclose which accounting standards are used in compiling the report (<i>item 8</i>)	N/A
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9. Review Opinion

Details of any audit dispute or qualification (<i>item 9</i>)	
There are no audit disputes or qualifications to the review opinion.	



ResApp Health Limited
ABN 51 094 468 318

**CONSOLIDATED INTERIM FINANCIAL REPORT
FOR THE HALF YEAR ENDED 31 DECEMBER 2018**

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Corporate Information

These financial statements are for ResApp Health Limited and its controlled entity (“the Group”). Unless otherwise stated, all amounts are presented in \$AUD.

A description of the Group’s operations and of its principal activities is included in the review of operations and activities in the directors’ report on pages 2 to 4. The directors’ report is not part of the financial statements.

Directors

Dr Roger Aston (*appointed 2 July 2015*)

Dr Tony Keating (*appointed 2 July 2015*)

Mr Chris Ntoumenopoulos (*appointed 21 January 2015*)

Mr Nathan Buzza (*appointed 28 December 2017*)

Company Secretary

Ms Nicki Farley (*appointed 7 November 2012*)

Registered Office

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44 St Georges Tce
PERTH WA 6000

Principal Place of Business

Level 8
127 Creek St
BRISBANE QLD 4000

Share Registry & Register

Link Market Services Ltd
Level 12, 250 St Georges Tce
PERTH WA 6000

Contact Information

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Fax: 08 9218 8875

Web Site

www.resapphealth.com.au

Auditors

Grant Thornton Audit Pty Ltd
Level 43, 152-158 St Georges Tce
PERTH WA 6000

Solicitors

Price Sierakowski Corporate
Level 24, 44 St Georges Tce
PERTH WA 6000

Bankers

National Australia Bank
100 St Georges Tce
PERTH WA 6000

Stock Exchange Listing

ResApp Health Limited
ASX Code: RAP

Directors' Report

The directors of ResApp Health Limited (“the Company”) and its controlled entity (“the Group”) submit herewith the interim financial statements of the Group for the half year ended 31 December 2018.

Directors and Executive Details

The following persons acted as directors of the Group during or since the end of the half year:

Dr Roger Aston (appointed 2 July 2015)

Dr Tony Keating (appointed 2 July 2015)

Mr Chris Ntoumenopoulos (appointed 21 January 2015)

Mr Nathan Buzza (appointed 28 December 2017)

PRINCIPAL ACTIVITIES

During the period, the Company continued the development and commercialisation of the ResApp technology for the purpose of providing health care solutions for respiratory disease.

OPERATING RESULTS

The loss after tax of the Group for the half year ended 31 December 2018 was \$3,330,307 (31 December 2017: loss \$3,186,761).

REVIEW OF OPERATIONS

Operational Review

US SMARTCOUGH-C-2 study

On 30 October 2018, ResApp announced the results from its US SMARTCOUGH-C-2 study. SMARTCOUGH-C-2 is a multisite, prospective, double-blind study evaluating the efficacy of the ResAppDx smartphone application in the diagnosis of paediatric acute respiratory disease using cough sounds. A total of 1,470 patients were recruited at three hospital sites in the US from which 1,251 patients completed the study and were analysable.

ResAppDx achieved a positive percent agreement between 73% and 78% and a negative percent agreement between 71% and 86% when compared to a clinical diagnosis for lower respiratory tract disease, asthma/reactive airway disease and primary upper respiratory tract disease. Results for pneumonia and bronchiolitis were less than 70% prompting the Company to pursue further investigation of these indications in the US. A technical issue delayed clinical adjudication for croup, however this was solved during the period with adjudication progressing towards completion in the first quarter of the 2019 calendar year.

During the period, ResApp worked closely with its US and Australian-based consultants on a De Novo premarket submission for its acute paediatric respiratory disease diagnostic smartphone application and plans to file this with the US Food and Drug Administration (FDA) in the first quarter of the 2019 calendar year.

Australian Paediatric Clinical Study

On 3 September 2018, ResApp announced paediatric results from its Australian Breathe Easy study. Breathe Easy is a double-blind, prospective study using machine learning algorithms to diagnose respiratory disease from cough sounds recorded on a smartphone. The study endpoints were the positive percent agreement and negative percent agreement of ResApp’s algorithms compared with a clinical diagnosis for lower respiratory tract disease, asthma/reactive airway disease, croup, bronchiolitis, pneumonia and primary upper respiratory tract disease. The clinical diagnosis was made by a clinical adjudication committee using all available clinical data, including radiology and microbiology. Data from 585 patients were analysed.

Directors' Report

For all predefined study endpoints, ResApp's algorithms performed very well, achieving a positive percent agreement (PPA) between 79% and 97% and a negative percent agreement (NPA) between 80% and 91% when compared to a clinical diagnosis.

ResAppDx-EU CE Mark Technical File Submission

In December 2018, ResApp submitted its CE Mark Technical File for ResAppDx-EU as a Class IIa medical device. ResAppDx-EU is a mobile software application to be used by clinicians for the diagnosis of lower respiratory tract disease, croup, pneumonia, asthma/reactive airway disease and bronchiolitis in infants and children. CE Marking would indicate that ResAppDx-EU complies with all relevant European Medical Device Directives, including safety and performance requirements, and will enable the commercial sale of ResAppDx-EU in the European Economic Area and facilitate commercialisation in other markets such as Australia, Canada and Singapore.

During November 2018, ResApp announced it had achieved ISO 13485:2016 compliance, confirming that ResApp's quality systems meet the ISO requirements for a comprehensive quality management system for the design and manufacture of medical devices, an essential step in obtaining European CE Mark and Australian TGA approval.

Obstructive Sleep Apnoea Study

On 11 October 2018, ResApp announced that its smartphone-based algorithms achieved 84% sensitivity and 83% specificity for identifying patients with an apnoea hypopnea index (AHI) greater than or equal to 5/h (patients with mild, moderate or severe OSA) compared to simultaneous in-laboratory polysomnography in a double-blind, prospective study. The algorithms were similarly able to identify patients with an AHI greater than or equal to 15/h (moderate or severe OSA) and an AHI greater than or equal to 30/h (severe OSA).

During the period, the study investigators presented a poster on earlier proof-of-concept OSA results at Sleep DownUnder 2018, the 30th Annual Scientific Meeting of the Australasian Sleep Association and the Australasian Sleep Technologists Association. Recruitment in an at-home study, with simultaneous smartphone diagnosis and AASM Type II home sleep testing is nearly complete with results being the next major milestone for this program.

Pilot Project with German Private Hospital Network

During the period, ResApp continued to work with a German private hospital network on a pilot study planned to commence during this European winter. The finalisation of a study protocol, including measures of success such as a reduction in time to diagnosis, improved patient flow and reduced diagnostic testing costs, is underway.

DARPA Warfighter Analytics using Smartphones for Health Research Program with Lockheed Martin

On 16 August 2018, ResApp announced that it had partnered with Lockheed Martin in the US Defense Advanced Research Project Agency (DARPA) Warfighter Analytics using Smartphones for Health (WASH) program. The WASH program will build a software suite to predict warfighter readiness and potential chronic and acute illness in a variety of contexts using only a standard cell phone instead of other specialized, expensive medical devices. ResApp received initial funding during the period and continues to work with Lockheed Martin on the project.

Patents

During the period, ResApp received a Notice of Acceptance from IP Australia for its Australian patent application 2013239327 and a Notice of Allowance from the Japanese Patent Office for its Japanese patent application 2015-502020. These patents, in addition to the United States patent granted in June 2018, cover the use of a cough sound-based audio processing pipeline for diagnosing respiratory disease and protect a key component of ResApp's smartphone applications for diagnosing acute respiratory disease.

Directors' Report

Corporate Review

During September 2018, ResApp raised \$7.5m via a placement from institutional and sophisticated investors. Under the placement, ResApp issued 34,090,910 new ordinary shares at an issue price of 22 cents per share. Proceeds from the placement will strengthen the Company's balance sheet to enable it to effectively pursue multiple projects simultaneously, including investing in sales and marketing capability to commercialise ResAppDx in Europe, Australia and Asia; deploying resources to expand clinical programs by conducting a US-based, double-blind, prospective adult clinical study; and investigating an array of new applications for the Company's core technology.

Subsequent Events

No material events have occurred subsequent to the reporting date.

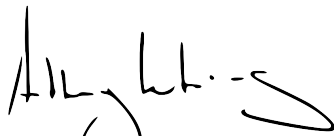
Dividends

No dividend has been proposed or paid.

Auditor's independence declaration

The auditor's independence declaration is included on page 5 of this report.

Signed in accordance with a resolution of the directors



Tony Keating
Managing Director

Brisbane
28th day of February 2019

Auditor's Independence Declaration

To the Directors of ResApp Health Ltd

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the review of ResApp Health Ltd for the half-year ended 31 December 2018, I declare that, to the best of my knowledge and belief, there have been:

- a no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- b no contraventions of any applicable code of professional conduct in relation to the review.



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



P W Warr
Partner – Audit & Assurance

Perth, 28 February 2019

***Consolidated Interim Statement of Profit or Loss and Other Comprehensive Income
 for the half year ended 31 December 2018***

	Note	Consolidated	
		31 Dec 2018 \$	31 Dec 2017 \$
Interest income		34,742	56,641
Other income	5	407,176	403,270
Administration expenses		(1,617,200)	(1,435,836)
Research and development costs		(1,998,361)	(1,738,733)
Share based payment expense	7	(85,736)	(402,607)
Amortisation	4	(67,457)	(67,457)
Depreciation		(754)	-
Finance costs		(2,717)	(2,039)
(Loss)/Profit before income tax		(3,330,307)	(3,186,761)
Income tax benefit		-	-
(Loss)/Profit for the half year		(3,330,307)	(3,186,761)
Other comprehensive income for the half year		-	-
Total comprehensive loss for the half year		(3,330,307)	(3,186,761)
Loss per share attributable to the members of ResApp Health Limited (basic and diluted) (cents)		(0.49)	(0.48)

The above Consolidated Interim Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

Consolidated Interim Statement of Financial Position
 as at 31 December 2018

	Note	Consolidated	
		31 Dec 2018 \$	30 June 2018 \$
Current assets			
Cash and cash equivalents		6,807,890	3,397,899
Trade receivables		61,173	44,556
Other receivables	5	1,322,629	935,902
Other assets		52,579	50,802
Total current assets		8,244,271	4,429,159
Non-current assets			
Intangibles (net)	4	1,956,259	2,023,716
Fixed Assets (net)		15,490	-
Total non-current assets		1,971,749	2,023,716
Total assets		10,216,020	6,452,875
Current liabilities			
Trade and other payables		705,690	775,311
Annual and long service leave provision		206,459	135,048
Total current liabilities		912,149	910,359
Total liabilities		912,149	910,359
Net assets		9,303,871	5,542,516
Equity			
Issued capital	6	28,780,784	21,774,858
Equity-settled benefits reserves	7	7,146,714	7,060,978
Accumulated losses		(26,623,627)	(23,293,320)
Total equity		9,303,871	5,542,516

The above Consolidated Interim Statement of Financial Position should be read in conjunction with the accompanying notes.

Consolidated Interim Statement of Changes in Equity
for the half year ended 31 December 2018

	Fully paid ordinary shares \$	Equity-settled benefits reserve \$	Accumulated losses \$	Total \$
Balance at 30 June 2017	21,781,211	6,327,741	(16,759,885)	11,349,067
Comprehensive Income				
Loss for the half year	-	-	(3,186,761)	(3,186,761)
Total comprehensive income for the half year	-	-	(3,186,761)	(3,186,761)
Transactions with owners, in their capacity as owners, and other transfers				
Options issued during the half year	-	402,607	-	402,607
Shares issued during the half year	-	-	-	-
Costs directly attributable to issue of share capital	(6,353)	-	-	(6,353)
Total transactions with owners and other transfers	(6,353)	402,607	-	396,254
Balance at 31 Dec 2017	21,774,858	6,730,348	(19,946,646)	8,558,560
Balance at 30 June 2018	21,774,858	7,060,978	(23,293,320)	5,542,516
Comprehensive Income				
Loss for the half year	-	-	(3,330,307)	(3,330,307)
Total comprehensive income for the half year	-	-	(3,330,307)	(3,330,307)
Transactions with owners, in their capacity as owners, and other transfers				
Options issued during the half year	-	85,736	-	85,736
Shares issued during the half year	7,500,000	-	-	7,500,000
Costs directly attributable to issue of share capital	(494,074)	-	-	(494,074)
Total transactions with owners and other transfers	7,005,926	85,736	-	7,091,662
Balance at 31 Dec 2018	28,780,784	7,146,714	(26,623,627)	9,303,871

The above Consolidated Interim Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Consolidated Interim Statement of Cash Flows
for the half year ended 31 December 2018

	Consolidated	
	Note	31 Dec 2017
	31 Dec 2018	31 Dec 2017
	\$	\$
Cash flows from operating activities		
Receipts from customers	48,394	-
Cash payments to suppliers and employees	(3,632,165)	(3,338,238)
Interest paid	(2,717)	(2,039)
Interest received	6,797	70,637
R&D rebate received	-	516,305
Net cash flows (used in)/provided by operating activities	(3,579,691)	(2,753,335)
Cash flows from investing activities		
Purchase of non-current assets	(16,244)	-
Net cash flows (used in)/provided by investing activities	(16,244)	-
Cash flows from financing activities		
Proceeds from issue of share capital	7,500,000	-
Costs of capital raising	(494,074)	(6,353)
Net cash flows (used in)/provided by financing activities	7,005,926	(6,353)
Net (decrease)/increase in cash and cash equivalents	3,409,991	(2,759,688)
Cash and cash equivalents at the beginning of the financial half-year	3,397,899	8,554,764
Cash and cash equivalents at the end of the financial half-year	6,807,890	5,795,076

The above Consolidated Interim Statement of Cash Flows should be read in conjunction with the accompanying notes.

***Consolidated Interim Notes to the Financial Statements
for the half year ended 31 December 2018***

Note 1 Statement of Compliance and Basis of Preparation

Statement of Compliance

These half year financial statements are a general purpose financial report prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standard AASB 134: Interim Financial Reporting, Australian Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board.

It is recommended that this financial report be read in conjunction with the annual financial report for the year ended 30 June 2018 and any public announcements made by ResApp Health Limited and its controlled entities during the half-year in accordance with continuous disclosure requirements arising under the Corporations Act 2001.

The accounting policies have been consistently applied by the Company and are consistent with those in the June 2018 financial report. The half-year report does not include full disclosures of the type normally included in an annual financial report.

Note 2 Significant Accounting Policies

The accounting policies and methods of computation adopted are consistent with those of the previous financial year and corresponding interim reporting period, except for the impact of the Standards and Interpretations described below. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

Note 3 Adoption of New and Revised Australian Accounting Standards

In the half-year ended 31 December 2018, the Company has reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to its operations and effective for annual reporting periods beginning on or after 1 July 2018.

AASB 9 Financial Instruments replaces AASB 139 Financial Instruments: Recognition and Measurement. It makes major changes to the previous guidance on the classification and measurement of financial assets and introduces an ‘expected credit loss’ model for impairment of financial assets.

The new standard has been applied as at 1 July 2018 with no effect on initial application. The adoption of AASB 9 and not yet affected any of the company’s transactions and balances recognized in the financial statements for the period.

AASB 15 replaces AASB 118 Revenue, AASB 111 Construction Contracts and several revenue-related interpretations. The new Standard has been applied as at 1 July 2018 with no effect of initial application and thus no required adjustment to the opening balance of retained earnings at 1 July 2018. The adoption of AASB 15 has not affected any of the company’s revenue recognition areas

AASB 16 Leases requires all leases, other than short term and low value asset leases to be accounted “on balance sheet”. When this standard is first adopted for the year ending 30 June 2020, there will be no material impact on the transactions and balances recognised in the financial statements.

The Company has also reviewed all new Standards and Interpretations that have been issued but are not yet effective for the half-year ended 31 December 2018. As a result of this review the directors have determined that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on its business and therefore no change is necessary to Company accounting policies.

Consolidated Interim Notes to the Financial Statements
 for the half year ended 31 December 2018

Note 4 Intangibles

	Consolidated	
	31 Dec 2018 \$	30 Jun 2018 \$
Licensed IP	2,428,459	2,428,459
Amortisation	(472,200)	(404,743)
Total intangibles (net)	1,956,259	2,023,716

The Licensed IP developed (and owned) by UQ and licensed to ResApp via UniQuest includes patent applications filed in five countries as well as those countries encompassed by the European Patent Convention. The patent applications all claim a priority date of 29/3/2012. The following table summarises the patents and patent applications.

Country	Patent Number	Title
Australia	2013239327	A method and apparatus for processing patient sounds
United States	10,098,569	A method and apparatus for processing patient sounds
Japan	6,435,257	A method and apparatus for processing patient sounds

Country	Application Number	Title
Europe	13768257.1	A method and apparatus for processing patient sounds
China	201380028268.X	A method and apparatus for processing patient sounds
Korea	10-2014-7030062	A method and apparatus for processing patient sounds

In addition to these patent applications, ResApp has an exclusive license of the know-how (and trade secrets) in the set of mathematical features and classifier technology used for the diagnosis and severity measurement of pneumonia, asthma and COPD developed by the research team at UQ.

Subsequent measurement

All intangible assets are accounted for using the cost model whereby costs are amortised on a straight line basis over their estimated useful lives, as these assets are considered finite. The Company has ascribed an estimated useful life of the intangibles of 18 years from the date of acquisition, which is based on the expected usage and benefits derived over the patents' useful lives. Residual values and useful lives are reviewed at each reporting date. In addition, they are subject to impairment testing.

Note 5 Other Income

	Consolidated	
	31 Dec 2018 \$	31 Dec 2017 \$
Estimated R&D rebate ¹	358,782	402,964
Fee income	48,394 ²	306
Total other income	407,176	403,270

¹ Management applied judgement to estimate the amount of Research & Development rebate (R&D rebate) available to the Group for the half year ended 31 December 2018 to be \$401,037. Management is anticipating a rebate for the financial year ended 30 June 2018 of \$893,647, \$42,255 less than was previously estimated and included in the Group's Consolidated Annual Report for the year ended 30 June 2018.

**Consolidated Interim Notes to the Financial Statements
 for the half year ended 31 December 2018**

² Fee income was received from Lockheed Martin as payment for services under the DARPA WASH program.

Note 6 Issued Capital

	Number of Shares	\$
Fully paid ordinary shares and authorised capital		
Balance as at 1 July 2017	659,039,602	21,781,211
<i>No shares issued during the period</i>	-	-
Costs directly attributable to issue of share capital	-	(6,353)
Balance as at 31 December 2017	659,039,602	21,774,858
Balance as at 1 July 2018	659,039,602	21,774,858
Shares issued 24 September 2018 under Placement ⁽¹⁾	34,090,910	7,500,000
Costs directly attributable to issue of share capital	-	(494,074)
Balance as at 31 December 2018	693,130,512	28,780,784

¹ On 24 September 2018, 34,090,910 shares were issued via a share Placement at \$0.22 per share.

Note 7 Equity-Settled Benefits Reserve

	\$
Options for fully paid ordinary shares and authorised capital	
Balance as at 1 July 2017	6,327,741
Fair value of options issued and expensed to profit and loss ¹	402,607
Balance as at 31 December 2017	6,730,348
	\$
Options for fully paid ordinary shares and authorised capital	
Balance as at 1 July 2018	7,060,978
Fair value of options issued and expensed to profit and loss ²	85,736
Balance as at 31 December 2018	7,146,714

¹ During the six month period ended 31 December 2017, ResApp Health Limited issued the following options which were expensed as share based payments:

- 1,000,000 Employee Incentive Options were issued to an Employee on 21 July 2017 pursuant to the terms of the Company's Employee Incentive Plan. The Options are exercisable at \$0.45 and expire on 1 June 2020. One half of the Employee Incentive Options vest on 1 December 2017, and the remaining half vesting on 1 June 2018 if the employee remains employed by the Company. The options are valued at the date of issue and recognised for the vesting period to 30 December 2017.
- 1,500,000 Employee Incentive Options were issued to an Employee on 21 July 2017 pursuant to the terms of the Company's Employee Incentive Plan. The Options are exercisable at \$0.75 and expire on 1 June 2020. One half of the Employee Incentive Options vest on 1 December 2017, and the remaining half vesting on 1 June 2018 if the employee remains employed by the Company. The options are valued at the date of issue and recognised for the vesting period to 30 December 2017.
- 100,000 Employee Incentive Options were issued to an Employee on 18 December 2017, being exercisable at \$0.085 and expiring on 18 December 2020.
- 900,000 Employee Incentive Options were issued to Employees on 18 December 2017 pursuant to the terms of the Company's Employee Incentive Plan. The Options are exercisable at \$0.085 and expire on 18

**Consolidated Interim Notes to the Financial Statements
for the half year ended 31 December 2018**

December 2020. The Employee Incentive Options vest in equal quarterly instalments over 2 years from the date of issue if the employee remains employed by the Company. The options are valued at the date of issue and recognised for the vesting period to 30 December 2017.

- 350,000 Consultancy Incentive Options were issued to consultants on 18 December 2017, being exercisable at \$0.085 and expiring on 18 December 2020.
- 500,000 Consultancy Incentive Options were issued to a consultant on 18 December 2017, being exercisable at \$0.14 and expiring on 18 December 2020.

² During the six month period ended 31 December 2018, ResApp Health Limited issued no additional options.

The fair value of the options was estimated at the date of grant using the Black-Scholes option pricing model. The following table sets out the assumptions made in determining the fair value of the options granted.

	Options expiring 2-Jul-20	Options expiring 2-Jul-20	Options expiring 2-Jul-20	Options expiring 22-Sep-20	Options expiring 22-Sep-20	Options expiring 29-Apr-19
Grant date	2-Jul-15	2-Jul-15	2-Jul-15	22-Sep-15	22-Sep-15	29-Apr-16
Dividend yield	0%	0%	0%	0%	0%	0%
Expected volatility	110%	110%	110%	110%	110%	110%
Risk-free interest rate	1.92%	1.92%	1.92%	1.92%	1.92%	2.00%
Option exercise price	\$0.025	\$ 0.05	\$0.10	\$0.05	\$0.10	\$0.28
Expected life (years)	5	5	5	5	5	3
Share price on date of grant	\$0.021	\$ 0.021	\$0.021	\$0.03	\$0.03	\$0.210
Value attributable to the options in the equity settled benefits reserve at 31 December 2018	\$95,000	\$85,000	\$150,000	\$66,006	\$38,512	\$585,445
	Options expiring 29-Apr-19	Options expiring 16-Sep-19	Options expiring 16-Sep-19	Options expiring 16-Sep-19	Options expiring 10-Nov-19	Options expiring 10-Nov-19
Grant date	29-Apr-16	16-Sep-16	16-Sep-16	16-Sep-16	10-Nov-16	10-Nov-16
Dividend yield	0%	0%	0%	0%	0%	0%
Expected volatility	110%	100%	100%	100%	104%	104%
Risk-free interest rate	2.00%	1.48%	1.48%	1.48%	1.48%	1.48%
Option exercise price	\$0.30	\$0.45	\$0.45	\$0.75	\$0.45	\$0.75
Expected life (years)	3	3	3	3	3	3
Share price on date of grant	\$0.210	\$ 0.430	\$ 0.430	\$0.430	\$0.440	\$0.440
Value attributable to the options in the equity settled benefits reserve at 31 December 2018	\$238,007	\$527,454**	\$527,454**	\$439,545**	\$2,009,593**	\$1,746,558**

**Consolidated Interim Notes to the Financial Statements
for the half year ended 31 December 2018**

	Options expiring 31-Oct-20	Options expiring 12-Dec-20	Options expiring 13-Mar-21	Options expiring 1-May-21	Options expiring 1-Jun-20	Options expiring 1-Jun-20
Grant date	14-Feb-17	14-Feb-17	13-Mar-17	1-May-17	21-Jul-17	21-Jul-17
Dividend yield	0%	0%	0%	0%	0%	0%
Expected volatility	100%	100%	100%	100%	100%	100%
Risk-free interest rate	1.48%	1.48%	1.48%	1.48%	1.95%	1.95%
Option exercise price	\$0.45	\$0.45	\$0.45	\$0.45	\$0.45	\$0.75
Expected life (years)	3.7	3.8	4	4	2.8	2.8
Share price on date of grant	\$0.370	\$0.370	\$0.315	\$0.320	\$0.310	\$0.310
Value attributable to the options in the equity settled benefits reserve at 31 December 2018	\$34,570**	\$80,026**	\$58,261**	\$25,471**	\$166,878*	\$200,749*

	Options expiring 18-Dec-20	Options expiring 18-Dec-20	Options expiring 18-Dec-20	Options expiring 18-Dec-20
Grant date	18-Dec-17	18-Dec-17	18-Dec-17	18-Dec-17
Dividend yield	0%	0%	0%	0%
Expected volatility	100%	100%	100%	100%
Risk-free interest rate	2.00%	2.00%	2.00%	2.00%
Option exercise price	\$0.085	\$0.085	\$0.085	\$0.140
Expected life (years)	3	3	3	3
Share price on date of grant	\$0.091	\$0.091	\$0.091	\$0.091
Value attributable to the options in the equity settled benefits reserve at 31 December 2017	\$5,808*	\$25,409*	\$18,602*	\$22,366*

* subject to vesting conditions as disclosed in the narrative of this note 7.

** subject to vesting conditions as disclosed in the narrative of note 15 of the Group's Consolidated Annual Report for the year ended 30 June 2018.

Note 8 Segment Reporting

The Group has identified its operating segment as medical technology and is used by the board of directors in assessing performance and determining the allocation of resources. The reportable segment is represented by the primary consolidated statements forming the interim financial report for the half-year ended 31 December 2018.

***Consolidated Interim Notes to the Financial Statements
 for the half year ended 31 December 2018***

Note 9 Commitments and Contingent Liabilities

	Consolidated	
	31 Dec 2018	30 Jun 2018
	\$	\$
Operating lease commitments		
Not later than 1 year	67,063	93,086
Later than 1 year but not later than 5 years	-	19,549
Total operating lease commitments	67,063	112,635
Company secretary commitments		
Not later than 1 year	8,000	28,000
Total company secretarial commitments	8,000	28,000
Research expenditure commitments		
Not later than 1 year	-	-
Later than 1 year but not later than 5 years	-	-
Total research expenditure commitments	-	-

	Consolidated	
	31 Dec 2018	30 Jun 2018
	USD	USD
Clinical study commitments		
Not later than 1 year	338,539	1,166,395
Later than 1 year but not later than 5 years	-	-
Total clinical study commitments	338,539	1,166,395

As at 31 December 2018 the Company had no known contingent liabilities.

Note 10 Subsequent Events

No material events have occurred subsequent to the reporting date.


Directors' Declaration

The directors of the Group declare that:

- (1) The attached financial statements and notes are in accordance with the *Corporations Act 2001*, including:
 - (a) complying with Accounting Standard AASB 134: Interim Financial Reporting; and
 - (b) giving a true and fair view of the Group's financial position as at 31 December 2018 and of its performance for the half-year ended on that date.
- (2) The directors' opinion that there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

On behalf of the Board



Tony Keating
Managing Director

Brisbane
28th day of February 2019

Independent Auditor's Review Report

To the Directors of ResApp Health Ltd

Report on the review of the half year financial report

Conclusion

We have reviewed the accompanying half year financial report of ResApp Health Ltd (the Company) and its subsidiaries (the Group), which comprises the consolidated interim statement of financial position as at 31 December 2018, and the consolidated interim statement of profit or loss and other comprehensive income, consolidated interim statement of changes in equity and consolidated interim statement of cash flows for the half year ended on that date, a description of accounting policies, other selected explanatory notes, and the directors' declaration.

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the half year financial report of ResApp Health Ltd does not give a true and fair view of the financial position of the Company as at 31 December 2018, and of its financial performance and its cash flows for the half year ended on that date, in accordance with the *Corporations Act 2001*, including complying with Accounting Standard AASB 134 *Interim Financial Reporting*.

Directors' responsibility for the half year financial report

The Directors of the Company are responsible for the preparation of the half year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the Directors determine is necessary to enable the preparation of the half year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the half year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Company's financial position as at 31 December 2018 and its performance for the half year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of ResApp Health Ltd, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



P W Warr
Partner – Audit & Assurance

Perth, 28 February 2019