

## APPENDIX 4D

### Half-year report for the period ended 31 December 2019

#### 1. Name of entity

<b>RESAPP HEALTH LIMITED</b>
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ABN	Reporting Period	Previous Corresponding Period
51 094 468 318	Half-year ended 31 December 2019	Half-year ended 31 December 2018

#### 2. Results for Announcement to the Market

Financial Results	Up / Down	% Change	31 December 2019
Revenues from ordinary activities ( <i>item 2.1</i> )	-	-	-
Loss from ordinary activities after tax attributable to members ( <i>item 2.2</i> )	Up	15%	to (3,820,394)
Net loss for the period attributable to members ( <i>item 2.3</i> )	Up	15%	to (3,820,394)
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> )	0.42 cents	1.06 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 STATEMENTS**  
**FOR THE HALF-YEAR ENDED 31 DECEMBER 2019**

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## ***Corporate Information***

These consolidated interim financial statements are for ResApp Health Limited and its controlled entity (“the Group”). Unless otherwise stated, all amounts are presented in Australian Dollars.

A description of the Group’s operations and its principal activities is included in the review of operations and activities in the directors’ report on pages 4-6. 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

### **Principal Office**

Level 12, 100 Creek St  
Brisbane QLD 4000

### **Registered Office**

Level 12  
100 Creek St  
Brisbane QLD 4000

### **Share Registry & Register**

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

### **Bankers**

National Australia Bank  
Level 17, 259 Queen Street  
Brisbane QLD 4000

### **Contact Information**

Ph: +61 7 3724 0035

### **Auditors**

Grant Thornton Audit Pty Ltd  
Level 18, 145 Ann Street  
Brisbane QLD 4000

### **Solicitors**

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

### **Stock Exchange Listing**

ResApp Health Limited  
ASX Code: RAP

### **Web Site**

[www.resapphealth.com.au](http://www.resapphealth.com.au)

## ***Directors' Report***

The Directors of ResApp Health Limited (“the Company”) and its controlled entity (“the Group”) submit herewith the consolidated interim financial statements of the Group for the half-year ended 31 December 2019. These financial statements cover the period from 1 July 2019 to 31 December 2019.

The names and particulars of the Directors of the Company during or since the end of the financial year are:

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 AND FINANCIAL POSITION**

The net loss for the half-year ended 31 December 2019 was \$3,820,394 compared with a net loss of \$3,330,307 for the previous period. The Company had a net asset position as at 31 December 2019 of \$4,768,880 (30 June 2019: \$7,687,417).

## **REVIEW OF OPERATIONS**

### **Operational Review**

#### *Regulatory Approvals*

During the period, ResApp received CE Mark certification for ResAppDx-EU, the world’s first smartphone-based diagnostic test for respiratory disease in adults and children. CE Mark certification indicates that ResAppDx-EU meets the essential requirements of all the applicable European regulations as a Class IIa medical device and allows for its sale throughout the European Economic Area.

In October 2019, ResApp announced that ResAppDx-EU had received Australian Therapeutics Goods Administration (TGA) approval as a Class IIa medical device for paediatric use and is now listed on the Australian Register of Therapeutic Goods (ARTG). Subsequent to the period, in February 2020, ResApp announced that it had received approval for adult use.

Prior to the period, in April 2019, ResApp submitted a De Novo application to the US Food and Drug Administration (FDA) for its acute paediatric respiratory disease diagnostic smartphone app, ResAppDx-US. This submission is currently under review by the FDA.

#### *Clinical Studies*

In September 2019, ResApp released positive results from its prospective, at-home sleep apnoea study demonstrating that ResApp’s algorithms, which analyse a person’s breathing and snoring sounds recorded using a smartphone placed on a bedside table, were able to accurately identify obstructive sleep apnoea (OSA) when compared to a simultaneous at-home sleep study. For the three AHI thresholds under consideration (representing mild, moderate, and severe sleep apnoea) the area under the receiver operating characteristic curve was greater than 0.91, sensitivity was between 83-85%, and specificity was between 73-90%.

In December 2019, ResApp announced that it had received ethics approval from the Western Australian Aboriginal Health Ethics Committee for a pilot, double-blind study of its chronic obstructive pulmonary disease

## ***Directors' Report***

(COPD) screening smartphone application (app) in an Indigenous Australian population. The study will recruit up to 200 subjects over a six-month period at the Geraldton Regional Aboriginal Medical Service.

### *Startup Creasphere Digital Health Program*

In October 2019, ResApp announced that it had been selected to join the Startup Creasphere Digital Health Program in Munich. Startup Creasphere was a twelve-week program, where ResApp worked with subject matter experts and mentors from the consumer healthcare business unit of Sanofi to explore opportunities to co-create consumer health-focused respiratory disease products. After the program, neither ResApp nor Sanofi committed to any obligations regarding any of the products created and ResApp retains all intellectual property developed under the program.

Further, in November 2019, the Company announced that it has entered into an agreement according to which it granted to the consumer healthcare business unit of Sanofi, an exclusive license to use the outcomes generated under the Startup Creasphere incubator program. Under the agreement, ResApp has granted Sanofi the option to negotiate and acquire exclusive rights to develop, manufacture and commercialise a respiratory disease self-assessment application specifically for consumers. Sanofi has until 7 March 2020 to exercise the option. If Sanofi elects to exercise the option, the companies have six months to negotiate the licensing terms. Either company may terminate the option agreement by giving 30 day's notice.

### *Coviu Telehealth Platform*

In November 2019, ResApp announced that the Company had entered into a non-binding memorandum of understanding (MOU) with Coviu, Australia's leading telehealth software platform, to integrate ResApp's acute respiratory diagnostic test, ResAppDx-EU into Coviu's browser-based telehealth platform. The integration will see ResAppDx-EU become available to the 5,500+ clinicians who currently use the Coviu platform.

Coviu and ResApp will work together under a joint development agreement to integrate ResAppDx-EU into Coviu's browser-based telehealth platform, to devise a workflow for directing patients and clinicians towards the use of ResAppDx-EU in appropriate circumstances. Before the conclusion of the project, ResApp and Coviu will enter into negotiations on the cost model of using ResAppDx-EU on the Coviu platform within Australia.

### *Progress on DARPA WASH program*

During the period, ResApp received additional funding from Lockheed Martin and continues to collaborate on the Defense Advanced Research Projects Agency (DARPA) Warfighter Analytics using Smartphones for Health (WASH) program.

## **Corporate Review**

In December 2019, ResApp received \$1,798,086 from its Research and Development (R&D) tax incentive claim for the financial year ended 30 June 2019. The Australian Federal Government's R&D Tax Incentive program provides a cash refund on eligible research and development activities performed by Australian companies.

## ***Directors' Report***

### **Subsequent Events**

On 7 February 2020, the Group incorporated in the United Kingdom ResApp Health (UK) Limited, a wholly-owned subsidiary of ResApp Health Limited.

On 18 February 2020, the Company announced that it had completed functional testing of handheld and wearable prototype devices from its development partners, Avanti Med and OSI Electronics. These devices expand ResApp's product portfolio to address specific use cases. The completion of functional testing of both the handheld and wearable devices satisfies the first of three milestones under the device development agreement. Accordingly, ResApp will make a payment of AU\$500,000 for each device and has elected to pay in shares. A total of 4,773,068 shares were issued on 27 February 2020 at a deemed price of \$0.2095 (calculated using 80% of the volume-weighted average price of shares in the 30 days preceding the satisfaction of the milestone).

On 20 February 2020, the Company announced that it has received Australian TGA approval for a smartphone-based diagnostic test for adult respiratory disease.

On 21 February 2020, the Company announced it had received firm commitments to raise \$5 million (before transaction costs) via a placement from institutional and sophisticated investors. On 26 February 2020, the Company received the \$5 million proceeds from the capital raising. On 27 February 2020, the Company issued 25,000,000 new ordinary shares at an issue price of \$0.20 per share. Proceeds from the placement will be used to accelerate European commercialisation and for general working capital.

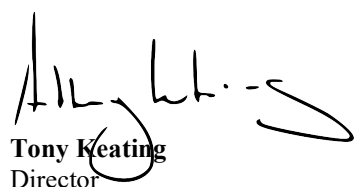
### **Dividends**

No amounts have been paid or declared by way of dividend by the Group since the end of the previous financial year and the Directors do not recommend the payment of any dividend.

### **Auditor's Independence Declaration**

The auditor's independence declaration is included on page 7 of this report.

Signed in accordance with a resolution of the directors



**Tony Keating**  
Director

Brisbane  
28<sup>th</sup> day of February 2020



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## Auditor's Independence Declaration

### To the Directors of ResApp Health Limited

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the review of ResApp Health Limited for the half-year ended 31 December 2019, 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



CDJ Smith  
Partner – Audit & Assurance

Brisbane, 28 February 2020

***Consolidated Interim Statement of Profit or Loss and Other Comprehensive Income***  
***For the Half-Year Ended 31 December 2019***

		<b>Consolidated</b>	
		<b>31-Dec-19</b>	31-Dec-18
			(Restated; See Note 22)
	<b>Note</b>	<b>\$</b>	<b>\$</b>
Interest income		<b>25,793</b>	34,742
Other income	4	<b>475,349</b>	407,176
General and administrative costs	5	<b>(1,506,214)</b>	(822,357)
Research and development costs	6	<b>(2,815,322)</b>	(2,949,868)
<b>Loss before income tax</b>		<b>(3,820,394)</b>	(3,330,307)
Income tax benefit		-	-
<b>Loss for the half-year</b>		<b>(3,820,394)</b>	(3,330,307)
Other comprehensive income for the half-year		-	-
<b>Total comprehensive income for the half-year</b>		<b>(3,820,394)</b>	(3,330,307)
Loss per share (basic and diluted) (cents)	16	<b>(0.55)</b>	(0.49)

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 2019**

	Note	Consolidated	
		31-Dec-19	30-Jun-19
		\$	\$
<b>Current assets</b>			
Cash and cash equivalents	7	3,903,462	5,516,386
Other receivables	8	461,874	1,904,675
Prepayments and other current assets		95,068	69,245
<b>Total current assets</b>		<b>4,460,404</b>	<b>7,490,306</b>
<b>Non-current assets</b>			
Fixed assets (net)	10	403,590	30,845
Intangibles (net)	11	1,821,345	1,888,802
Term-deposit	18	103,673	-
<b>Total non-current assets</b>		<b>2,328,608</b>	<b>1,919,647</b>
<b>Total assets</b>		<b>6,789,012</b>	<b>9,409,953</b>
<b>Current liabilities</b>			
Trade and other payables	12	1,345,720	1,473,929
Employee benefits provision - current	13	226,750	208,868
Lease liability - current	18	131,183	-
<b>Total current liabilities</b>		<b>1,703,653</b>	<b>1,682,797</b>
<b>Noncurrent liabilities</b>			
Employee benefits provision - noncurrent	13	54,859	39,739
Lease liability - noncurrent	18	261,620	-
<b>Total noncurrent liabilities</b>		<b>316,479</b>	<b>39,739</b>
<b>Total liabilities</b>		<b>2,020,132</b>	<b>1,722,536</b>
<b>Net assets</b>		<b>4,768,880</b>	<b>7,687,417</b>
<b>Equity</b>			
Issued capital	14	29,280,784	28,780,784
Reserves	15	1,929,457	6,778,204
Accumulated losses		(26,441,361)	(27,871,571)
<b>Total equity</b>		<b>4,768,880</b>	<b>7,687,417</b>

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 2019***

	<b>Fully paid ordinary shares \$</b>	<b>Equity- settled benefits reserve \$</b>	<b>Accumulated losses \$</b>	<b>Total \$</b>
<b>Balance at 1 July 2018</b>	<b>21,774,858</b>	<b>7,060,978</b>	<b>(23,293,320)</b>	<b>5,542,516</b>
Loss for the half-year	-	-	(3,330,307)	(3,330,307)
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>(3,330,307)</b>	<b>(3,330,307)</b>
<b>Transactions with owners, in their capacity as owners</b>				
Share based payments	-	85,736	-	85,736
Issue of shares (Note 14)	7,500,000	-	-	7,500,000
Costs directly attributable to issue of share capital	(494,074)	-	-	(494,074)
<b>Balance at 31 December 2018</b>	<b>28,780,784</b>	<b>7,146,714</b>	<b>(26,623,627)</b>	<b>9,303,871</b>
<b>Balance at 1 July 2019</b>	<b>28,780,784</b>	<b>6,778,204</b>	<b>(27,871,571)</b>	<b>7,687,417</b>
Loss for the half-year	-	-	(3,820,394)	(3,820,394)
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>(3,820,394)</b>	<b>(3,820,394)</b>
<b>Transactions with owners, in their capacity as owners</b>				
Share based payments	-	401,857	-	401,857
Cancellation of options	-	(5,250,604)	5,250,604	-
Issue of shares (Note 14)	500,000	-	-	500,000
<b>Balance at 31 December 2019</b>	<b>29,280,784</b>	<b>1,929,457</b>	<b>(26,441,361)</b>	<b>4,768,880</b>

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 2019**

	<b>Note</b>	<b>Consolidated 31-Dec-19 \$</b>	<b>31-Dec-18 \$</b>
<b>Cash flows from operating activities</b>			
Cash payments to suppliers and employees		(3,406,905)	(3,634,882)
Receipts from customers		56,262	48,394
Interest received		35,862	6,797
R&D tax incentive and other grants received		1,831,453	-
<b>Net cash flows used in operating activities</b>		<b>(1,483,328)</b>	<b>(3,579,691)</b>
<b>Cash flows from investing activities</b>			
Acquisition of fixed assets		(1,817)	(16,244)
Investment in term-deposit (restricted)		(103,673)	-
<b>Net cash flows used in investing activities</b>		<b>(105,490)</b>	<b>(16,244)</b>
<b>Cash flows from financing activities</b>			
Proceeds from issue of share capital		-	7,500,000
Costs of capital raising		-	(494,074)
Payment of lease liability		(24,106)	-
<b>Net cash flows (used in)/provided by financing activities</b>		<b>(24,106)</b>	<b>7,005,926</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(1,612,924)</b>	<b>3,409,991</b>
Cash and cash equivalents at the beginning of the financial period		5,516,386	3,397,899
<b>Cash and cash equivalents at the end of the financial period</b>	<b>7</b>	<b>3,903,462</b>	<b>6,807,890</b>

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

***Notes to the Consolidated Interim Financial Statements***  
***For the Half-Year Ended 31 December 2019***

**Note 1 General Information, Basis of Preparation and Statement of Compliance**

ResApp Health Limited (“the Company”) and its controlled entity (“the Group”) is a for-profit entity and is domiciled in Australia. The Group, through an exclusive license, is developing smartphone applications for respiratory disease diagnostics and management. Its registered address and principal office is Level 12, 100 Creek Street, Brisbane, Queensland, 4000.

ResApp Health Limited is the ultimate Australian parent entity and ultimate parent of the Group.

***Statement of Compliance***

These consolidated interim financial statements of the Group are for the half-year ended 31 December 2019 and presented in Australian dollars and all values are rounded to the nearest whole dollar unless otherwise stated. These general-purpose interim financial reports have been prepared in accordance with the requirements *Corporations Act 2001* and Australian Accounting Standard AASB 134: *Interim Financial Reporting*.

It is recommended that this financial report be read in conjunction with the annual financial report for the year ended 30 June 2019 and any public announcements made by ResApp Health Limited and its controlled entity 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 Group and are consistent with those in the 30 June 2019 annual financial report. The half-year report does not include full disclosures of the type normally included in an annual financial report.

**Note 2 Going Concern**

The financial statements have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlements of liabilities in the ordinary course of business.

During the half-year ended 31 December 2019, the Group incurred a net loss after tax of \$3,820,394 (2018: \$3,330,307) and a net cash outflow from operating activities amounting to \$1,483,328 (2018: \$3,579,691).

At 31 December 2019, the Group had cash and cash equivalents of \$3,903,462, net assets of \$4,768,880 and net working capital of \$2,756,751. The Group is still in the research and development phase and is currently not generating any revenue. On 21 February 2020, the Company announced it had received firm commitments to raise \$5 million (before transaction costs) via a placement from institutional and sophisticated investors. On 26 February 2020, the Company received the \$5 million proceeds from the capital raising. On 27 February 2020, the Company issued 25,000,000 new ordinary shares at an issue price of \$0.20 per share. Proceeds from the placement will be used to accelerate European commercialisation and for general working capital.

Based on the cash flow forecasts and other factors referred to above, the directors are satisfied that the going concern basis of preparation is appropriate. The directors believe there are sufficient funds to meet the Group’s working capital requirements as at the date of this report.

**Note 3 Significant Accounting Policies**

The consolidated interim financial statements have been prepared in accordance with the accounting policies adopted in the Group's last annual financial report for the year ended 30 June 2019. The accounting policies have been applied consistently throughout the Group for the purposes of the preparation of these interim financial statements. The following revised accounting standard is applicable for reporting periods beginning on or after 1 July 2019 and the Group has adopted it for this reporting period.

***Notes to the Consolidated Interim Financial Statements (continued)***  
***For the Half-Year Ended 31 December 2019***

***Adoption of New Australian Accounting Standards***

**AASB 16 Leases**

AASB 16 supersedes AASB 117, *Leases*, IFRIC 4, *Determining whether an Arrangement contains a Lease*, SIC-15, *Operating Leases-Incentives*, and SIC-27, *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the statement of financial position. On transition, for leases previously accounted for as operating leases with a remaining lease term of less than 12 months, the Group has applied the optional exemptions to not recognise right-of-use asset but to account for the lease expense on a straight-line basis over the remaining lease term. Accordingly, no impact on the financial statements on the initial adoption of AASB 16. Refer to the new accounting policy set out below and to Note 18 for the current period impact.

Accounting policy applicable from 1 July 2019

*The Group as a lessee*

For any new contracts entered into on or after 1 July 2019, the Group considers whether a contract is, or contains a lease. A lease is defined as ‘a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period in exchange for consideration’. To apply this definition the Group assesses whether the contract meets three key evaluations which are whether:

- The contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Group.
- The Group has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract.
- The Group has the right to direct the use of the identified asset throughout the period of use. The Group assess whether it has the right to direct ‘how and for what purpose’ the asset is used throughout the period of use.

*Measurement and recognition of leases as a lessee*

At lease commencement date, the Group recognises a right-of-use asset and a lease liability on the statement of financial position. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Group, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).

The Group depreciates the right-of-use asset on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Group also assesses the right-of-use asset for impairment when such indicators exist.

At the commencement date, the Group measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Group’s incremental borrowing rate.

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed), variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments. When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

The Group has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss on a straight-line basis over the lease term.

On the statement of financial position, right-of-use asset has been included in fixed assets.

***Notes to the Consolidated Interim Financial Statements (continued)***  
***For the Half-Year Ended 31 December 2019***

**Note 4 Other Income**

	<b>Consolidated</b>	
	<b>31-Dec-19</b>	<b>31-Dec-18</b>
	<b>\$</b>	<b>\$</b>
R&D tax incentive	<b>379,122</b>	358,782
Other income and grants	<b>96,227</b>	48,394
	<b>475,349</b>	407,176

Management applied judgement to estimate the amount of Research & Development rebate (R&D tax incentive) available to the Group for the half-year ended 31 December 2019 and 2018.

**Note 5 General and Administrative Costs**

	<b>Consolidated</b>	
	<b>31-Dec-19</b>	<b>31-Dec-18</b>
	<b>\$</b>	<b>\$</b>
Employee costs and directors' fees	<b>400,271</b>	230,016
Share based payment expense	<b>265,696</b>	-
Consulting fees	<b>178,273</b>	93,500
Professional fees (including legal fees)	<b>144,678</b>	84,917
Amortisation and depreciation	<b>106,610</b>	68,211
Other administration expenses	<b>410,686</b>	345,713
	<b>1,506,214</b>	822,357

**Note 6 Research and Development Costs**

	<b>Consolidated</b>	
	<b>31-Dec-19</b>	<b>31-Dec-18</b>
	<b>\$</b>	<b>\$</b>
Employee costs	<b>990,774</b>	841,284
Share based payment expense	<b>136,161</b>	85,736
Other research and development costs	<b>1,688,387</b>	2,022,848
	<b>2,815,322</b>	2,949,868



**Notes to the Consolidated Interim Financial Statements (continued)**  
**For the Half-Year Ended 31 December 2019**

**Note 7 Cash and cash equivalents**

	<b>Consolidated</b>	
	<b>31-Dec-19</b>	<b>30-Jun-19</b>
	<b>\$</b>	<b>\$</b>
Cash at bank	<b>603,462</b>	957,558
Short-term deposits	<b>3,300,000</b>	4,558,828
	<b>3,903,462</b>	5,516,386

**Note 8 Other receivables**

	<b>Consolidated</b>	
	<b>31-Dec-19</b>	<b>30-Jun-19</b>
	<b>\$</b>	<b>\$</b>
R&D tax rebate receivable	<b>380,000</b>	1,798,000
GST receivable	<b>59,461</b>	93,893
Interest receivable	<b>2,713</b>	12,782
Other debtor	<b>19,700</b>	-
	<b>461,874</b>	1,904,675

**Note 9 Financial instruments**

The Group's financial instruments consist mainly of deposits with banks and accounts receivable and payable.

The fair values of financial assets and financial liabilities are determined as follows:

- The fair value of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices; and
- The fair value of other financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analyses.

The Group consider that the carrying amounts of financial assets and financial liabilities which are all recorded at amortised cost less accumulated impairment charges in these financial statements, approximate their fair values.

	<b>Consolidated</b>	
	<b>31-Dec-19</b>	<b>30-Jun-19</b>
	<b>\$</b>	<b>\$</b>
<b>Financial assets</b>		
Cash and cash equivalents	<b>3,903,462</b>	5,516,386
Other receivables	<b>461,874</b>	1,904,675
<b>Total financial assets</b>	<b>4,365,336</b>	7,421,061
<b>Financial liabilities</b>		
Trade and other payables	<b>1,345,720</b>	1,473,929
<b>Total financial liabilities</b>	<b>1,345,720</b>	1,473,929

**Notes to the Consolidated Interim Financial Statements (continued)**  
**For the Half-Year Ended 31 December 2019**

**Note 10 Fixed assets**

	<b>Office &amp; IT Equipment</b>	<b>Right-of-Use Asset: Office Suite (See Note 18)</b>	<b>Total</b>
<b>Gross carrying amount</b>			
Balance at 1 July 2018	-	-	-
Additions	36,131	-	36,131
Disposals	-	-	-
Balance at 30 June 2019	36,131	-	36,131
<b>Less Accumulated Depreciation</b>			
Balance at 1 July 2018	-	-	-
Depreciation	5,286	-	5,286
Disposals	-	-	-
Balance at 30 June 2019	5,286	-	5,286
<b>Net Book Values at 30 June 2019</b>	<b>30,845</b>	<b>-</b>	<b>30,845</b>

	<b>Office &amp; IT Equipment</b>	<b>Right-of-Use Asset: Office Suite (See Note 18)</b>	<b>Total</b>
<b>Gross carrying amount</b>			
Balance at 1 July 2019	36,131	-	36,131
Additions	1,817	412,706	414,523
Disposals	(3,030)	-	(3,030)
Balance at 31 December 2019	34,918	412,706	447,624
<b>Less Accumulated Depreciation</b>			
Balance at 1 July 2019	5,286	-	5,286
Depreciation	4,761	34,392	39,153
Disposals	(405)	-	(405)
Balance at 31 December 2019	9,642	34,392	44,034
<b>Net Book Values at 31 December 2019</b>	<b>25,276</b>	<b>378,314</b>	<b>403,590</b>

**Notes to the Consolidated Interim Financial Statements (continued)**  
**For the Half-Year Ended 31 December 2019**

**Note 11 Intangibles**

	<b>Consolidated</b>	
	<b>31-Dec-19</b>	<b>30-Jun-19</b>
	<b>\$</b>	<b>\$</b>
<b>Licensed IP - Cost</b>		
Balance at beginning of the period	<b>2,428,459</b>	2,428,459
Additions	-	-
Balance at end of the period	<b>2,428,459</b>	2,428,459
<b>Licensed IP- Accumulated amortisation</b>		
Balance at beginning of the period	<b>539,657</b>	404,743
Amortisation expense	<b>67,457</b>	134,914
Balance at end of the period	<b>607,114</b>	539,657
<b>Net carrying value</b>	<b>1,821,345</b>	1,888,802

The Group 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.

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

The following table summarises the licensed patent applications:

**List of Patents/Patent Applications licensed to the Company under the UniQuest License Agreement:**

<b>Country</b>	<b>Patent Numbers</b>	<b>Title</b>
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
Korea	10-2014-7030062	A method and apparatus for processing patient sounds
Nigeria	F/PT/C/2019/3579	A method and apparatus for automatic disease state diagnosis
<b>Country</b>	<b>Application Number</b>	<b>Title</b>
Europe	13768257.1	A method and apparatus for processing patient sounds
China	201380028268.X	A method and apparatus for processing patient sounds
Australia	2017331813	A method and apparatus for automatic disease state diagnosis
Europe	17852006	A method and apparatus for automatic disease state diagnosis
India	201947016083	A method and apparatus for automatic disease state diagnosis
Indonesia	PO0201901366	A method and apparatus for automatic disease state diagnosis
China	201780059397.3	A method and apparatus for automatic disease state diagnosis
Australia	PCT/AU2018/051372	A method for analysis of cough sounds to diagnose respiratory diseases

**Notes to the Consolidated Interim Financial Statements (continued)**  
**For the Half-Year Ended 31 December 2019**

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.

**Note 12 Trade and other payables**

	<b>Consolidated</b>	
	<b>31-Dec-19</b>	<b>30-Jun-19</b>
	<b>\$</b>	<b>\$</b>
Trade payables	542,177	591,874
PAYG withholding payable	179,000	172,400
Superannuation payable	56,756	53,005
Accrued expenses & others	567,787	656,650
	<b>1,345,720</b>	<b>1,473,929</b>

**Note 13 Employee benefits provision**

	<b>Consolidated</b>	
	<b>31-Dec-19</b>	<b>30-Jun-19</b>
	<b>\$</b>	<b>\$</b>
<i>Current:</i>		
Annual leave	226,750	208,868
<i>Noncurrent:</i>		
Long-service leave	54,859	39,739

**Note 14 Issued Capital**

	<b>Number of Shares</b>	<b>\$</b>
<b>Fully paid ordinary shares and authorised capital</b>		
Balance as at 1 July 2018	659,039,602	21,774,858
Shares issued on 24 September 2018	34,090,910	7,500,000
Costs directly attributable to issue of share capital	-	(494,074)
Balance as at 30 June 2019	<b>693,130,512</b>	<b>28,780,784</b>
Balance as at 1 July 2019	693,130,512	28,780,784
Shares issued on 4 July 2019	3,125,000	500,000
Balance as at 31 December 2019	<b>696,255,512</b>	<b>29,280,784</b>

***Notes to the Consolidated Interim Financial Statements (continued)***  
***For the Half-Year Ended 31 December 2019***

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

Fully paid ordinary shares carry one vote per share and carry the right to dividends. Ordinary shares participate in dividends and the proceeds on winding up of the Company in proportion to the number of shares held. At the shareholders' meetings, each ordinary share is entitled to one vote when a poll is called; otherwise each shareholder has one vote on a show of hands.

*Device Development Agreement*

On 28 May 2019, the Company entered into a device development agreement with Avanti Med Ltd, a UK-based medical device manufacturer, to design, test and finalise two CE-marked devices: a low-cost ruggedized, handheld device and a small, wearable breathing monitor.

ResApp negotiated a fixed-price, milestone-based contract for the development of the devices. For each device, ResApp agreed to pay £75,000 in cash and issue AU\$250,000 of ordinary shares on project commencement, with the number of shares calculated on the volume-weighted average price of shares in the 30 days preceding the commencement date. Avanti agreed to deliver the initial design and technical specifications within 3 weeks of signing. The balance of the project is divided into three milestones: delivery of functional prototypes, delivery of final designs and CE Mark approval. For each device, ResApp will make a fixed payment of AU\$500,000 when each milestone is achieved, payable in cash or ordinary shares at the election of ResApp. The number of shares for the milestone payments will be calculated using 80% of (i) the volume-weighted average price of shares in the 30 days preceding the milestone or (ii) 10 cents, whichever is higher. If ResApp elects to pay the milestones payment in shares, it is proposed that the shares will be issued under the Company's 15% placement capacity. ResApp has termination rights during the project, including the right to terminate if target milestones are not met.

The Company paid £150,000 in cash which was recognised as research and development costs in the statement of profit and loss or other comprehensive income as at 30 June 2019. On 4 July 2019, the Company announced that 3,125,000 Shares had been issued pursuant to the terms of the device development agreement announced to ASX in May 2019, at a deemed issue price of \$0.16. On 18 February 2020, the Company announced that the first milestone (delivery of functional prototypes) had been met and that 4,773,068 Shares would be issued pursuant to the terms of the device development agreement, at a deemed issue price of \$0.2095. Refer to Note 20.

*Performance Shares*

On 2 July 2015, ResApp Health Limited acquired 100% of all the rights and title to ResApp Diagnostics Pty Ltd through the issue of 93,750,000 Fully Paid Ordinary Shares and 93,750,000 Performance Shares to the Vendors as consideration for the acquisition. The Performance Shares convert into fully paid ordinary shares on a 1:1 basis on the achievement of the milestone being the Company and any subsidiary (and if the Company or any related entity of the Company is licensed to use licensed IP, the Company and that related entity) achieving aggregated gross revenue of \$20 million in the five years commencing on the day the Company is readmitted to quotation on ASX (14 July 2020). A holder of Performance Shares is entitled to receive notices of general meetings and financials reports of the Company but is not entitled to vote on any resolutions proposed at a general meeting of the Company, other than as specifically allowed for under the *Corporations Act*. The Performance Shares do not entitle a holder to any dividends and do not confer on a holder any right to participate in surplus profits or assets of the Company upon the winding up of the Company. The Performance Shares are not transferable and do not entitle the holder to participate in new issues of securities. As the company has not generated revenues and do not deem any portion of the milestone to have yet been achieved, the performance shares have been ascribed no value as at 31 December 2019 and 30 June 2019.

**Notes to the Consolidated Interim Financial Statements (continued)**  
**For the Half-Year Ended 31 December 2019**

**Note 15 Equity-Settled Benefits Reserve**

	Number of Unlisted Options (including ESOP options)	Equity-Settled Benefits Reserve \$
Balance as at 1 July 2018	57,816,667	7,060,978
Options issued during the year	6,450,000	578,434
Options forfeited & lapsed during the year	(6,716,667)	(861,208)
<b>Balance as at 30 June 2019</b>	<b>57,550,000</b>	<b>6,778,204</b>
Balance as at 1 July 2019	57,550,000	6,778,204
Options issued during the half-year	3,675,000	401,857
Options forfeited & lapsed during the half-year	(20,600,000)	(5,250,604)
<b>Balance as at 31 December 2019</b>	<b>40,625,000</b>	<b>1,929,457</b>

During the year ended 30 June 2019, ResApp Health Limited issued the following options which were expensed as share-based payments:

- 1,950,000 Employee Incentive Options were issued to Employees on 11 February 2019 pursuant to the terms of the Company's Employee Incentive Plan. The Options are exercisable at \$0.12 and expire on 11 February 2022. 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 11 February 2021.
- 200,000 Employee Incentive Options were issued to an Employee on 18 February 2019 pursuant to the terms of the Company's Employee Incentive Plan. The Options are exercisable at \$0.11 and expire on 18 February 2022. 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 18 February 2021.
- 500,000 Employee Incentive Options were issued to an Employee on 25 February 2019 pursuant to the terms of the Company's Employee Incentive Plan. The Options are exercisable at \$0.11 and expire on 25 February 2022. The Employee Incentive Options vest immediately. The options are valued at the date of issue and recognised for the vesting period to 25 February 2021.
- 700,000 Consultancy Incentive Options were issued to Consultants on 25 February 2019, being exercisable at \$0.11, expiring on 25 February 2022 and vesting immediately.
- 200,000 Employee Incentive Options were issued to an Employee on 11 March 2019 pursuant to the terms of the Company's Employee Incentive Plan. The Options are exercisable at \$0.11 and expire on 11 March 2022. 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 11 March 2021.
- 500,000 Consultancy Incentive Options were issued to a consultant on 6 May 2019, being exercisable at \$0.19, expiring on 6 May 2022 and vesting immediately.
- 2,000,000 Consultancy Incentive Options were issued to a consultant on 6 May 2019, being exercisable at \$0.19, expiring on 6 May 2024 and vesting on ResApp, any subsidiary of ResApp or a third party licensee achieving FDA clearance, CE marking or TGA approval of a sleep apnoea screening or diagnostic tool, or on the sale of ResApp's assets related to sleep apnoea screening or diagnosis.
- 400,000 Consultancy Incentive Options were issued to Consultants on 5 June 2019, being exercisable at \$0.19, expiring on 5 June 2022 and vesting immediately.

**Notes to the Consolidated Interim Financial Statements (continued)**  
**For the Half-Year Ended 31 December 2019**

During the half-year ended 31 December 2019, ResApp Health Limited issued the following options which were expensed as share-based payments:

- 975,000 Managing Director Incentive Options were issued to the Tony Keating on 28 November 2019 pursuant to the terms of the Company's Employee Incentive Plan. The Options are exercisable at \$0.21 and expire on 20 December 2024. The Options will vest on the satisfaction of the following specific performance milestones: (a) CE Mark approval – 325,000 Options; (b) FDA clearance – 325,000 Options; and (c) Commercial release of hardware product – 325,000 Options. The option holder is required to be employed by the Company in order to exercise the Incentive Options. The options are valued at the date of issue and recognised for the vesting period to 20 December 2024.
- 2,000,000 Director Incentive Options were issued to Directors on 28 November 2019 pursuant to the terms of the Company's Employee Incentive Plan. The Options are exercisable at \$0.43 and expire on 20 December 2022. The Director Incentive Options vest immediately.
- 700,000 Employee Incentive Options were issued to Employees on 20 December 2019 pursuant to the terms of the Company's Employee Incentive Plan. The Options are exercisable at \$0.32 and expire on 20 December 2022. 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 22 December 2021.

The fair value of the options issued 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 during the year ended 30 June 2019 and half-year ended 31 December 2019.

Grant date	Dividend yield	Expected volatility	Risk-free interest rate	Option exercise price	Expected life (years)	Share price on date of grant	Fair value on grant date	Value attributable to the options in the equity settled benefits reserve
2-Jul-15	0%	110%	1.92%	\$0.03	5	\$0.02	\$0.02	\$95,000
2-Jul-15	0%	110%	1.92%	\$0.05	5	\$0.02	\$0.02	\$85,000
2-Jul-15	0%	110%	1.92%	\$0.10	5	\$0.02	\$0.02	\$150,000
22-Sep-15	0%	110%	1.92%	\$0.05	5	\$0.02	\$0.02	\$66,006
22-Sep-15	0%	110%	1.92%	\$0.10	5	\$0.02	\$0.02	\$38,512
16-Sep-16	0%	100%	1.48%	\$0.45	3	\$0.43	\$0.26	\$527,454
16-Sep-16	0%	100%	1.48%	\$0.45	3	\$0.43	\$0.26	\$527,454
16-Sep-16	0%	100%	1.48%	\$0.75	3	\$0.43	\$0.22	\$439,545
10-Nov-16	0%	104%	1.48%	\$0.45	3	\$0.44	\$0.28	\$2,009,593
10-Nov-16	0%	104%	1.48%	\$0.75	3	\$0.44	\$0.24	\$1,746,558
14-Feb-17	0%	100%	1.48%	\$0.45	3.8	\$0.37	\$0.24	\$100,032
13-Mar-17	0%	100%	1.48%	\$0.45	4	\$0.32	\$0.20	\$74,907
1-May-17	0%	100%	1.48%	\$0.45	4	\$0.32	\$0.20	\$33,962
21-Jul-17	0%	100%	1.95%	\$0.75	2.8	\$0.31	\$0.17	\$166,878
18-Dec-17	0%	100%	2.00%	\$0.09	3	\$0.09	\$0.13	\$200,749
18-Dec-17	0%	100%	2.00%	\$0.09	3	\$0.09	\$0.06	\$5,808
18-Dec-17	0%	100%	2.00%	\$0.09	3	\$0.09	\$0.06	\$34,059
18-Dec-17	0%	100%	2.00%	\$0.09	3	\$0.09	\$0.05	\$18,602
18-Dec-17	0%	100%	2.00%	\$0.14	3	\$0.09	\$0.04	\$22,366
11-Feb-19	0%	126%	1.47%	\$0.12	3	\$0.09	\$0.07	\$24,481
18-Feb-19	0%	126%	1.47%	\$0.11	3	\$0.09	\$0.06	\$2,364
25-Feb-19	0%	126%	1.47%	\$0.11	3	\$0.09	\$0.06	\$31,639
25-Feb-19	0%	126%	1.47%	\$0.11	3	\$0.09	\$0.06	\$44,294
11-Mar-19	0%	126%	1.47%	\$0.11	3	\$0.09	\$0.06	\$2,121
6-May-19	0%	125%	1.47%	\$0.19	3	\$0.17	\$0.12	\$58,204
6-May-19	0%	125%	1.47%	\$0.19	3	\$0.17	\$0.14	\$227,331
5-Jun-19	0%	127%	1.00%	\$0.19	3	\$0.16	\$0.11	\$45,285
<b>Balance at 30 June 2019</b>								<b>\$6,778,204</b>

**Notes to the Consolidated Interim Financial Statements (continued)**  
**For the Half-Year Ended 31 December 2019**

Grant date	Dividend yield	Expected volatility	Risk-free interest rate	Option exercise price	Expected life (years)	Share price on date of grant	Fair value on grant date	Value attributable to the options in the equity settled benefits reserve
2-Jul-15	0%	110%	1.92%	\$0.03	5	\$0.02	\$0.02	\$95,000
2-Jul-15	0%	110%	1.92%	\$0.05	5	\$0.02	\$0.02	\$85,000
2-Jul-15	0%	110%	1.92%	\$0.10	5	\$0.02	\$0.02	\$150,000
22-Sep-15	0%	110%	1.92%	\$0.05	5	\$0.02	\$0.02	\$66,006
22-Sep-15	0%	110%	1.92%	\$0.10	5	\$0.02	\$0.02	\$38,512
14-Feb-17	0%	100%	1.48%	\$0.45	3.8	\$0.37	\$0.24	\$120,038
13-Mar-17	0%	100%	1.48%	\$0.45	4	\$0.32	\$0.20	\$91,553
1-May-17	0%	100%	1.48%	\$0.45	4	\$0.32	\$0.20	\$42,452
21-Jul-17	0%	100%	1.95%	\$0.75	2.8	\$0.31	\$0.17	\$166,878
18-Dec-17	0%	100%	2.00%	\$0.09	3	\$0.09	\$0.13	\$200,749
18-Dec-17	0%	100%	2.00%	\$0.09	3	\$0.09	\$0.06	\$5,808
18-Dec-17	0%	100%	2.00%	\$0.09	3	\$0.09	\$0.06	\$45,896
18-Dec-17	0%	100%	2.00%	\$0.09	3	\$0.09	\$0.05	\$18,602
18-Dec-17	0%	100%	2.00%	\$0.14	3	\$0.09	\$0.04	\$22,366
11-Feb-19	0%	126%	1.47%	\$0.12	3	\$0.09	\$0.07	\$56,413
18-Feb-19	0%	126%	1.47%	\$0.11	3	\$0.09	\$0.06	\$5,613
25-Feb-19	0%	126%	1.47%	\$0.11	3	\$0.09	\$0.06	\$31,639
25-Feb-19	0%	126%	1.47%	\$0.11	3	\$0.09	\$0.06	\$44,294
11-Mar-19	0%	126%	1.47%	\$0.11	3	\$0.09	\$0.06	\$5,201
6-May-19	0%	125%	1.47%	\$0.19	3	\$0.17	\$0.12	\$58,204
6-May-19	0%	125%	1.47%	\$0.19	3	\$0.17	\$0.14	\$274,133
5-Jun-19	0%	127%	1.00%	\$0.19	3	\$0.16	\$0.11	\$45,286
28-Nov-19	0%	89%	0.73%	\$0.21	5	\$0.28	\$0.21	\$3,251
28-Nov-19	0%	89%	0.72%	\$0.43	3	\$0.28	\$0.13	\$255,169
20-Dec-19	0%	89%	0.72%	\$0.32	3	\$0.26	\$0.13	\$1,394
<b>Balance at 31 December 2019</b>								<b>\$1,929,457</b>

**Note 16 Loss Per Share**

The loss results and weighted average number of ordinary shares used in the calculation of basic loss per share are as follows:

	<b>Consolidated</b>	
	<b>31-Dec-19</b>	<b>31-Dec-18</b>
	<b>\$</b>	<b>\$</b>
Attributable to ordinary equity holders (used in calculating basic and diluted EPS) – continuing operations	<b>(3,820,394)</b>	<b>(3,330,307)</b>
Weighted average number of ordinary shares for the purpose of basic and diluted earnings per share adjusted for share consolidation	<b>696,204,561</b>	<b>677,381,994</b>
<b>Loss per share (basic and diluted) (cents)</b>	<b>(0.55)</b>	<b>(0.49)</b>

32,925,000 options excluded from the calculation will have no impact due to the Group's loss-making position, as they are anti-dilutive (2018: 25,000,000).



**Notes to the Consolidated Interim Financial Statements (continued)**  
**For the Half-Year Ended 31 December 2019**

**Note 17 Contingent Liabilities**

The Directors of the Group are not aware of any contingent liabilities which require disclosure as at 31 December 2019.

**Note 18 Leases**

During the period, the Company signed a new three-year lease agreement for office premises in Brisbane, Queensland with a commencement date of 1 October 2019. The lease agreement was accounted for under AASB 16 which resulted in the recognition of 'right of use asset' and 'lease liability' on the statement of financial position. Refer to Note 10 for the net book value of the 'right of use asset'.

Lease liability is presented in the statement of financial position as follows:

	<b>Consolidated</b>	
	<b>31-Dec-19</b>	<b>30-Jun-19</b>
	<b>\$</b>	<b>\$</b>
Current	<b>131,183</b>	-
Noncurrent	<b>261,620</b>	-
	<b>392,803</b>	-

Future minimum lease payments at 31 December 2019 were as follows:

	<b>Within one year</b>	<b>Two to five years</b>	<b>Total</b>
Lease payments	145,991	268,230	414,221
Finance charges	(14,808)	(6,610)	(21,418)
<b>Net present values</b>	<b>131,183</b>	<b>261,620</b>	<b>392,803</b>

The term-deposit of \$103,673 is held as security for the bank guarantee as required for the lease agreement. The term-deposit is presented as a noncurrent asset in the statement of financial position.

**Note 19 Commitments**

	<b>Consolidated</b>	
	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
<i>Research expenditure commitment</i>		
Not later than 1 year	<b>65,984</b>	-
<b>Total research expenditure commitment</b>	<b>65,984</b>	-
<i>Clinical study commitments</i>		
Not later than 1 year	-	1,666,279
<b>Total clinical study commitments</b>	-	1,666,279
<i>Other commitments</i>		
Not later than 1 year	<b>61,455</b>	75,063
<b>Total other commitments</b>	<b>61,455</b>	75,063

***Notes to the Consolidated Interim Financial Statements (continued)***  
***For the Half-Year Ended 31 December 2019***

**Note 20 Subsequent Events**

On 7 February 2020, the Group incorporated in the United Kingdom ResApp Health (UK) Limited, a wholly-owned subsidiary of ResApp Health Limited.

On 18 February 2020, the Company announced that it had completed functional testing of handheld and wearable prototype devices from its development partners, Avanti Med and OSI Electronics. These devices expand ResApp's product portfolio to address specific use cases. The completion of functional testing of both the handheld and wearable devices satisfies the first of three milestones under the device development agreement. Accordingly, ResApp will make a payment of AU\$500,000 for each device and has elected to pay in shares. A total of 4,773,068 shares were issued on 27 February 2020 at a deemed price of \$0.2095 (calculated using 80% of the volume-weighted average price of shares in the 30 days preceding the satisfaction of the milestone).

On 20 February 2020, the Company announced that it has received Australian TGA approval for a smartphone-based diagnostic test for adult respiratory disease.

On 21 February 2020, the Company announced it had received firm commitments to raise \$5 million (before transaction costs) via a placement from institutional and sophisticated investors. On 26 February 2020, the Company received the \$5 million proceeds from the capital raising. On 27 February 2020, the Company issued 25,000,000 new ordinary shares at an issue price of \$0.20 per share. Proceeds from the placement will be used to accelerate European commercialisation and for general working capital.

**Note 21 Segment Reporting**

The Group has identified its operating segment as medical technology. The reportable segment is represented by the primary consolidated statements forming the financial report for the half-year ended 31 December 2019. These are the figures that are reviewed and used by the Board of Directors in assessing performance and determining the allocation of resources.

**Note 22 Restatement**

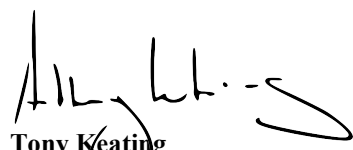
The 2018 statement of profit or loss and other comprehensive income has been restated to conform with the current period presentation.

### ***Directors' Declaration***

The Directors' of the Group declare that:

1. The accompanying consolidated interim financial statements and notes are in accordance with the *Corporations Act 2001*, including:
  - (a) comply with Accounting Standard AASB 134, *Interim Financial Reporting*; and
  - (b) give a true and fair view of the Group's financial position as at 31 December 2019 and of its performance for the half-year ended on that date;
2. in the directors' opinion, 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 and is signed for and on behalf of the directors by:



**Tony Keating**  
Director

Brisbane  
28<sup>th</sup> day of February 2020

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## Independent Auditor's Report

### To the Directors of ResApp Health Limited

#### Report on the review of the half-year financial report

##### Conclusion

We have reviewed the accompanying half-year financial report of ResApp Health Limited (the Group) and its subsidiaries (the Group), which comprises the consolidated interim statement of financial position as at 31 December 2019, 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 Limited does not give a true and fair view of the financial position of the Group as at 31 December 2019, 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 Group 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 Group's financial position as at 31 December 2019 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 Limited, 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 Limited  
Chartered Accountants



CDJ Smith  
Partner – Audit & Assurance

Brisbane, 28 February 2020