

## Quarterly Activities Report

for the Quarter Ending 30 June 2020

**Brisbane, Australia, 29 July 2020** – ResApp Health Limited (ASX:RAP), a leading digital health company developing smartphone applications for the diagnosis and management of respiratory disease, is pleased to provide an update on the company's activities for the fourth quarter ended June 30, 2020.

Tony Keating, CEO and Managing Director said, "During the quarter, we achieved our most significant set of milestones to date. We now have two products in the market generating revenue. ResAppDx is available on two leading Australian telehealth platforms and SleepCheck is available for download on the App Store. We are excited about having our products in the hands of users, and the feedback received on both ResAppDx and SleepCheck has been very encouraging. Looking forward we have another busy quarter, with the launch of a national marketing campaign for SleepCheck and a continued focus on making ResAppDx available more broadly in Australia and in Europe."

### Recent Highlights and Outlook

- **ResAppDx launched on two telehealth platforms in Australia.** On June 16, ResApp signed a two-year, non-exclusive software licensing agreement with Phenix Health which allowed Phenix to use ResAppDx in their telehealth smartphone app. On July 1, ResApp signed a service agreement with CoviU to make ResAppDx available on CoviU's web-based telehealth platform. On both platforms, the per test license fee received by ResApp is in the previously targeted range of \$5 to \$10. ResAppDx was launched on both platforms in July, after the end of the fourth quarter. ResApp is now working closely with CoviU and Phenix to inform doctors using their platforms about the benefits of ResAppDx, while also progressing licensing discussions with additional telehealth platforms in Australia and Europe (including the United Kingdom).
- **ResAppDx in use at federal government-funded COVID-19 clinic.** In May, ResApp announced that ResAppDx had been evaluated at a federal government-funded COVID-19 respiratory clinic. To assist during the COVID-19 pandemic, ResApp has provided the clinic a license for the clinical use of ResAppDx at no cost through to September 1, 2020. ResAppDx is being used by doctors at the clinic to triage patients who present with respiratory symptoms, helping identify illnesses such as lower respiratory tract infections, pneumonia, asthma exacerbations and chronic obstructive pulmonary disease exacerbations.
- **ResAppDx evaluations in Germany and Kenya.** On June 2, ResApp announced that Sana Klinikum Lichtenberg, a hospital in Berlin, Germany, had obtained ethics approval for a pilot evaluation of ResAppDx. The pilot study will establish a baseline for the resource usage and

costs associated with current care pathways for respiratory diagnosis in a German emergency department. The start of this study has been delayed due to COVID-19. Also, in June, as part of a strategy for making ResAppDx available in low and middle-income countries, ResApp partnered with Ilara Health in Kenya to conduct a three-month evaluation of ResAppDx at five sites in Kenya. This evaluation is expected to begin in the first quarter of FY2021.

- **SleepCheck launched on the App Store.** After three years of research and development, ResApp launched SleepCheck on the App Store on June 29. SleepCheck is the first and only regulatory-approved and clinically validated direct-to-consumer sleep apnoea screening app. SleepCheck only requires a smartphone placed on the bedside table to assess a person's risk of sleep apnoea, a common, but under-diagnosed sleep breathing disorder which affects nearly one billion people worldwide. SleepCheck is now available in Australia and the United Kingdom for iPhone, with additional countries and Android coming later this year. ResApp will launch a national marketing campaign to promote SleepCheck in the first week of August, with a focus on *finding out if there's more to your snore*.
- **Co-developing a direct-to-consumer app with global health products manufacturer.** On June 18, ResApp announced that it had signed a memorandum of understanding with RB, the global health products manufacturer, to develop a smartphone app for consumers that utilises ResApp's cough-based algorithms to identify different respiratory conditions and provide recommended next steps.
- **Final design files for handheld and wearable devices received.** In May, ResApp received the final set of design files, reports and supporting documents for the handheld and wearable devices under development. The Android-based ruggedized handheld is a low-cost option for using ResAppDx in specific in-person clinical environments. The wearable monitor provides an easily worn, unobtrusive platform for up to three days of continuous monitoring of patients with chronic respiratory disease. ResApp is expecting to receive CE Mark approval for the devices in the first quarter of FY2021.

### Quarterly cash flow summary

At the end of the quarter the company held cash of \$5.8 million. The quarter saw an overall net decrease in cash of \$1.1 million. Research and development activities payments of \$320,000 for the quarter included technology development, clinical and regulatory activities. Staff costs for the quarter were \$794,000. Administration and corporate costs were \$119,000. During the quarter, the company received \$134,000 in government grants and tax incentives associated with the Australian federal government JobKeeper and cash flow boost programs. The related party payment of \$131,000 reported in item 6.1 of the Appendix 4C related to payment of non-executive director fees (\$52,000) and Managing Director remuneration (\$70,000).



### **Investor conference call**

Shareholders are invited to join a conference call hosted by Tony Keating, CEO and Managing Director at 11:00am Australian Eastern Standard Time (AEST) today. Shareholders can pre-register for the conference call by following the link below. You will receive a calendar notification with dial-in details and a PIN to access the call.

<https://s1.c-conf.com/diamondpass/10008933-invite.html>

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### **About ResApp Health Limited**

ResApp Health Limited (ASX: RAP) is a leading digital health company developing smartphone applications for the diagnosis and management of the respiratory disease. ResApp's machine learning algorithms use sound to diagnose and measure the severity of respiratory conditions without the need for additional accessories or hardware. ResApp's regulatory-approved and clinically validated products include ResAppDx, a smartphone-based acute respiratory disease diagnostic test for use in telehealth, emergency department and primary care settings; and SleepCheck, a smartphone application which allows consumers to self-assess their risk of sleep apnoea. Both products are CE Marked in Europe and TGA approved in Australia. For more information, please visit [www.resapphealth.com.au](http://www.resapphealth.com.au).

### **Contacts**

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*This ASX announcement was approved and authorised for release by the board of directors of ResApp Health.*

## Appendix 4C

### Quarterly cash flow report for entities subject to Listing Rule 4.7B

**Name of entity**
**ResApp Health Limited**
**ABN**
**51 094 468 318**
**Quarter ended ("current quarter")**
**30 June 2020**

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (12 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	-	76
1.2 Payments for		
(a) research and development	(320)	(2,384)
(b) product manufacturing and operating costs	-	-
(c) advertising and marketing	(8)	(207)
(d) leased assets	-	-
(e) staff costs	(794)	(2,873)
(f) administration and corporate costs	(119)	(835)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	19	62
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	134	1,965
1.8 Other (provide details if material)	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(1,088)</b>	<b>(4,196)</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	(7)	(9)
(d) investments	-	-
(e) intellectual property	-	-
(f) other non-current assets	-	(104)

## Quarterly cash flow report for entities subject to Listing Rule 4.7B

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(7)</b>	<b>(113)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	5,000
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	(336)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Payment of lease liability	(36)	(96)
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>(36)</b>	<b>4,568</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	6,906	5,516
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,088)	(4,196)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(7)	(113)

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (12 months) \$A'000</b>
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(36)	4,568
4.5	Effect of movement in exchange rates on cash held	-	-
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>5,775</b>	<b>5,775</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	5,775	6,906
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>5,775</b>	<b>6,906</b>

<b>6.</b>	<b>Payments to related parties of the entity and their associates</b>	<b>Current quarter \$A'000</b>
6.1	Aggregate amount of payments to related parties and their associates included in item 1	(122)
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		
Item 6.1 above includes Directors fees and salary (including superannuation) for Managing Director.		

## Quarterly cash flow report for entities subject to Listing Rule 4.7B

<b>7. Financing facilities</b>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i>		
<i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 <b>Total financing facilities</b>	-	-
7.5 <b>Unused financing facilities available at quarter end</b>		-
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

<b>8. Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1 Net cash from / (used in) operating activities (item 1.9)	(1,088)
8.2 Cash and cash equivalents at quarter end (item 4.6)	5,775
8.3 Unused finance facilities available at quarter end (item 7.5)	-
8.4 Total available funding (item 8.2 + item 8.3)	5,775
8.5 <b>Estimated quarters of funding available (item 8.4 divided by item 8.1)</b>	<b>5</b>
<i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>	
8.6 If item 8.5 is less than 2 quarters, please provide answers to the following questions:	
8.6.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer:	
8.6.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer:	
8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
Answer:	
<i>Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.</i>	

**Compliance statement**

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

29 July 2020

Date: .....

Tony Keating

Authorised by: .....  
 (Name of body or officer authorising release – see note 4)

**Notes**

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.