

APPENDIX 4D

Half-year report for the period ended 31 December 2021

1. Name of entity

RESAPP HEALTH LIMITED

ABN	Reporting Period	Previous Corresponding Period
51 094 468 318	Half-year ended 31 December 2021	Half-year ended 31 December 2020

2. Results for Announcement to the Market

Financial Results	Up / Down	% Change	31 December 2021
Revenues from ordinary activities (<i>item 2.1</i>)	Up	75%	to \$80,900
Loss from ordinary activities after tax attributable to members (<i>item 2.2</i>)	Up	16%	to (\$3,634,301)
Net loss for the period attributable to members (<i>item 2.3</i>)	Up	16%	to (\$3,632,707)
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>)	0.29 cents	0.50 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

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2021

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Corporate Information

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

A description of the Group’s operations and its principal activities are included in the review of operations and activities in the directors’ report on pages 4-7. 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*)
Dr Michael Stein (*appointed 6 April 2020*)
Mr Brian Leedman (*appointed 18 May 2021*)

Company Secretary

Ms Nicki Farley

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Bankers

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Auditors

Ernst & Young
111 Eagle Street
Brisbane QLD 4000

Stock Exchange Listing

ResApp Health Limited
ASX Code: RAP

Web Site

www.resapphealth.com.au

Directors' Report

The Directors of ResApp Health Limited (“the Company”) and its controlled entities (“the Group”) submit herewith the interim condensed consolidated financial statements of the Group for the half-year ended 31 December 2021. These financial statements cover the period from 1 July 2021 to 31 December 2021.

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

Dr Roger Aston (*appointed 2 July 2015*)
Dr Tony Keating (*appointed 2 July 2015*)
Mr Chris Ntoumenopoulos (*appointed 21 January 2015*)
Dr Michael Stein (*appointed 6 April 2020*)
Mr Brian Leedman (*appointed 18 May 2021*)

PRINCIPAL ACTIVITIES

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

OPERATING RESULTS AND FINANCIAL POSITION

The Company reported revenue of \$80,900 for the half-year ended 31 December 2021 (2020: \$46,197). The net loss for the half-year ended 31 December 2021 was \$3,634,301 compared with a net loss of \$3,127,043 for the previous period. The Company had a net assets position as at 31 December 2021 of \$4,050,790 (30 June 2021: \$7,603,999).

The Company retained a cash balance of \$3,373,423 as at 31 December 2021. During the half-year, the net cash used in operating activities were \$3,074,220 (2020: \$2,987,207) and receipts from customers were \$131,538 (2020: \$45,150). In December 2021, the Company received \$818,825 from its Research and Development (R&D) tax incentive claim for the financial year ended 30 June 2021. The Australian Federal Government’s R&D Tax Incentive program provides a cash refund on eligible research and development activities performed by Australian companies.

REVIEW OF OPERATIONS

Operational Review

Acute Respiratory Diagnosis

ResAppDx launched on telehealth platforms in Europe, Australia, and Indonesia

In July 2021, ResApp signed an agreement with Australian-based telehealth company Doctors on Demand to use ResAppDx, ResApp’s smartphone-based acute respiratory diagnostic test, on Doctors on Demand’s telehealth platform in Australia. Launched in 2015, Doctors on Demand offers both direct-to-consumer (B2C) and business-to-business (B2B) offerings for patients with a wide array of telehealth services. Its customers include Flight Centre, Allianz Partners and one of the world’s largest mining companies. In January 2022, ResApp announced that ResAppDx had been successfully implemented and was live on Doctors on Demand’s platform.

In August 2021, ResApp signed an agreement with Medgate AG (“Medgate”) to use ResAppDx on Medgate’s telehealth platform in Europe and the Philippines. Medgate is a leading provider of telehealth services and since 2000 has operated the largest telemedical centre run by doctors in Europe. The group employs over 510 people worldwide, including over 200 physicians.

Directors' Report

In August 2021, ResApp signed an agreement with Indonesian-based telehealth company Alodokter to use ResAppDx on Alodokter's telehealth platform in Indonesia. The Alodokter platform connects more than 50,000 doctors and 1,500 hospitals and clinics with millions of Indonesian patients. In January 2022, ResApp announced that ResAppDx had been successfully implemented and was live on Alodokter's platform.

ResAppDx is now available on major telehealth platforms in Switzerland (Medgate), Australia (Coviu, Phenix Health, and Doctors on Demand) and Indonesia (Alodokter). ResApp is also in advanced discussions with a number of other telehealth providers in Europe, Asia and Australia.

Janssen Pharmaceutica NV to use ResAppDx in RSV clinical trial

In November 2021, ResApp signed a three-year, non-exclusive licensing agreement with Janssen Pharmaceutica NV (Janssen), one of the Janssen Pharmaceutical Companies of Johnson & Johnson, for the use of its ResAppDx technology in a respiratory syncytial virus (RSV) clinical trial. ResAppDx will be used in a clinical trial conducted by Janssen to assess the respiratory symptoms of a cohort of patients with a range of respiratory diseases, including RSV. The trial will be conducted in the United States, Europe, South America and Asia-Pacific.

Emerging markets distribution agreement signed with Sanrai International

In December 2021, ResApp entered into a three-year distribution agreement with Sanrai International to distribute ResAppDx in emerging markets. Sanrai is headquartered in New York and has a network of regional offices and partners in Latin America, Africa, the Middle East and South Asia.

Pre-submission meeting with the US FDA

In February 2021, ResApp submitted a pre-submission meeting request with the United States (US) Food and Drug Administration (FDA) to progress the potential clearance of a prescription-only software as a medical device application to detect lower respiratory tract illness in children and adults. Subsequent to the end of the period, the pre-submission meeting was held in January 2022. During the meeting ResApp received feedback from the FDA on potential approval pathways for the application and other requirements. ResApp expects to continue to engage with the FDA to progress clearance.

COVID-19

Completed recruitment in COVID-19 trials

During the period, ResApp continued recruitment in its COVID-19 studies in India and the United States. These studies aim to collect cough audio and polymerase chain reaction (PCR) COVID-19 test results to train an algorithm to instantly identify COVID-19 using only a smartphone.

In November 2021, ResApp completed recruitment of 337 patients (including over 200 COVID-19 positive) cases in the study in India. In January 2022, ResApp announced that it has completed recruitment of 261 (including 112 COVID-19 positive) cases in the US study. ResApp is now using this data, as well as datasets collected pre-COVID-19, to build, train and validate algorithms for the detection and monitoring of COVID-19. Importantly, by using existing pre-COVID-19 datasets which contain patients with other lower respiratory tract infections to test and validate algorithms ResApp can ensure that its COVID-19 algorithms are specific to COVID-19 infection.

Directors' Report

Establishment of a COVID-19 Scientific Advisory Board

In December 2021, ResApp announced the establishment of a COVID-19 Scientific Advisory Board (SAB). The COVID-19 SAB includes leading clinicians from Australia, Europe and the United States who will provide scientific and clinical advice to ResApp on its COVID-19 programs.

Chronic Respiratory Disease Monitoring and Management

Partnership with Carepath Technologies GmbH for COPD monitoring

In November 2021, ResApp signed a joint development and pilot agreement with Berlin-based company Carepath Technologies GmbH. Under the agreement, Carepath will integrate ResApp's smartphone-based respiratory diagnostic test ResAppDx in their NELA platform and perform a pilot in Germany on the remote monitoring and management of chronic obstructive pulmonary disease (COPD) patients.

In addition to using ResAppDx to monitor patients, the pilot will collect longitudinal COPD data from patients which will potentially allow ResApp to incorporate additional functionality into ResAppDx tailored to the monitoring and management of these COPD patients.

Cough Counter Application

In November 2021, ResApp announced that it had achieved Australian Therapeutics Good Administration (TGA) clearance and CE Mark certification for the world's first regulatory-approved standalone cough counter smartphone application. The application is now listed on the Australian Register of Therapeutic Goods (ARTG) and available for sale in Europe as a class I medical device. ResApp's cough counting technology is already being used by the global biopharmaceutical company AstraZeneca to monitor patients participating in a lung cancer clinical trial and an asthma management support program.

Sleep Apnoea Screening

In October 2021, ResApp submitted a 510(k) premarket notification submission to the US FDA for SleepCheckRx, a prescription-only, software-as-a-medical device (SaMD) smartphone application for at-home sleep apnoea screening. In December 2021, ResApp received a request for additional information from the FDA and ResApp held a meeting with the FDA to clarify this request in January 2022. ResApp was pleased with the outcome of the meeting and plans to submit a response to the request this quarter. Based on FDA timelines, ResApp expects a decision from the FDA shortly thereafter.

Subsequent Events

On 24 January 2022, ResApp announced that it has signed a binding letter of intent (LOI) with Homify, a Philippines-based telehealth startup. Homify will integrate ResAppDx into their telehealth services which they plan to launch mid-2022.

On 1 February 2022, ResApp announced that the China National Intellectual Property Administration has accepted for grant the company's patent application 201910202125.5 titled, "A method and apparatus for processing patient sounds." This patent covers the use of a cough sound-based audio processing pipeline for diagnosing respiratory disease.

Directors' Report

On 14 February 2022, ResApp announced that it has signed a two-year, non-exclusive agreement with Australian aged care patient monitoring platform provider Health Teams Pty Ltd for them to use ResAppDx on both their telehealth platform and for in-room patient consultations. Health Teams expects to launch ResAppDx on their platform during the second quarter of this calendar year.

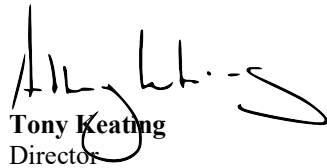
Dividends

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 8 of this report.

Signed in accordance with a resolution of the directors


Tony Keating
Director

Brisbane
25th day of February 2022



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working world**

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Auditor's Independence declaration to the directors of ResApp Health Limited

As lead auditor for the review of the half-year financial report of ResApp Health Limited for the half-year ended 31 December 2021, I declare 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.

This declaration is in respect of ResApp Health Limited and the entities it controlled during the financial period.

Ernst & Young

Madhu Nair
Partner
25 February 2022

***Interim Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income
 For the Half-Year Ended 31 December 2021***

	Note	Consolidated	
		31-Dec-21 \$	31-Dec-20 \$
Revenue from contracts with customers		80,900	46,197
Interest income		1,724	12,666
Other income	4	700,825	619,300
Selling, general and administrative expenses	5	(2,109,917)	(2,123,138)
Research and development expenses	6	(2,307,833)	(1,682,068)
Loss before income tax		(3,634,301)	(3,127,043)
Income tax benefit		–	–
Loss for the half-year		(3,634,301)	(3,127,043)
Other comprehensive income for the half-year:			
Foreign currency translation adjustment		1,594	84
Total comprehensive income (loss) for the half-year		(3,632,707)	(3,126,959)
Loss per share (basic and diluted) (cents)	16	(0.42)	(0.41)

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

Interim Condensed Consolidated Statement of Financial Position
As at 31 December 2021

	Note	Consolidated	
		31-Dec-21	30-Jun-21
		\$	\$
Current assets			
Cash and cash equivalents	7	3,373,423	6,587,434
Trade and other receivables	8	813,172	806,227
Prepayments and other current assets		97,399	88,534
Total current assets		4,283,994	7,482,195
Non-current assets			
Right-of-use asset and equipment	10	176,156	233,422
Intangible assets	11	1,592,917	1,618,971
Other financial asset	17	103,673	103,673
Total non-current assets		1,872,746	1,956,066
Total assets		6,156,740	9,438,261
Current liabilities			
Trade and other payables	12	1,313,847	1,234,936
Employee benefits provision	13	307,461	267,077
Lease liability	17	116,764	152,077
Contract liabilities	18	152,000	60,000
Total current liabilities		1,890,072	1,714,090
Noncurrent liabilities			
Employee benefits provision	13	95,878	81,251
Lease liability	17	–	38,921
Contract liabilities	18	120,000	–
Total noncurrent liabilities		215,878	120,172
Total liabilities		2,105,950	1,834,262
Net assets		4,050,790	7,603,999
Equity			
Issued capital	14	42,935,923	42,935,923
Share-based payment reserve	15	1,503,021	1,423,523
Foreign currency translation reserve		445	(1,149)
Accumulated losses		(40,388,599)	(36,754,298)
Total equity		4,050,790	7,603,999

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

Interim Condensed Consolidated Statement of Changes in Equity
For the Half-Year Ended 31 December 2021

	Fully paid ordinary shares	Share-based payment reserve	Foreign currency translation reserve	Accumulated losses	Total
	\$	\$	\$	\$	\$
Balance at 1 July 2020	35,944,770	1,772,183	(2,293)	(30,715,758)	6,998,902
Loss for the half-year	–	–	–	(3,127,043)	(3,127,043)
Foreign currency translation adjustment	–	–	84	–	84
Total comprehensive income	–	–	84	(3,127,043)	(3,126,959)
Transactions with owners, in their capacity as owners					
Share based payments	–	114,708	–	–	114,708
Expiration/exercise of options	–	(650,414)	–	650,414	–
Issue of shares	1,525,000	–	–	–	1,525,000
Balance at 31 December 2020	37,469,770	1,236,477	(2,209)	(33,192,387)	5,511,651
Balance at 1 July 2021	42,935,923	1,423,523	(1,149)	(36,754,298)	7,603,999
Loss for the half-year	–	–	–	(3,634,301)	(3,634,301)
Foreign currency translation adjustment	–	–	1,594	–	1,594
Total comprehensive income	–	–	1,594	(3,634,301)	(3,632,707)
Transactions with owners, in their capacity as owners					
Share based payments	–	79,498	–	–	79,498
Balance at 31 December 2021	42,935,923	1,503,021	445	(40,388,599)	4,050,790

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

Interim Condensed Consolidated Statement of Cash Flows
For the Half-Year Ended 31 December 2021

Note	Consolidated	
	31-Dec-21	31-Dec-20
	\$	\$
Cash flows from operating activities		
Cash payments to suppliers and employees	(4,028,502)	(3,392,598)
Receipts from customers	131,538	45,150
Interest received	3,919	14,941
R&D tax incentive and other grants received	818,825	345,300
Net cash flows used in operating activities	(3,074,220)	(2,987,207)
Cash flows from investing activities		
Acquisition of equipment	(21,953)	(21,348)
Additions to intangible assets	(41,404)	–
Net cash flows used in investing activities	(63,357)	(21,348)
Cash flows from financing activities		
Proceeds from issue of share capital	–	1,525,000
Payment of principal portion of lease liability	(76,434)	(73,673)
Net cash flows (used in)/provided by financing activities	(76,434)	1,451,327
Net (decrease)/increase in cash and cash equivalents	(3,214,011)	(1,557,228)
Cash and cash equivalents at the beginning of the financial period	6,587,434	5,775,253
Cash and cash equivalents at the end of the financial period	3,373,423	4,218,025

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

***Notes to the Interim Condensed Consolidated Financial Statements
For the Half-Year Ended 31 December 2021***

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

ResApp Health Limited (“the Company”) and its controlled entities (“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 2021 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*.

This financial report must be read in conjunction with the annual financial report for the year ended 30 June 2021 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 2021 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 2021, the Group incurred a net loss after tax of \$3,634,301 (2020: \$3,127,043) and a net cash outflow from operating activities amounting to \$3,074,220 (2020: \$2,987,207). At 31 December 2021, the Group had cash and cash equivalents of \$3,373,423, net assets of \$4,050,790 and net working capital of \$2,393,922.

In August 2019, ResApp received CE Mark certification for ResAppDx, the world’s first smartphone-based diagnostic test for respiratory disease in adults and children. In October 2019, ResApp announced that ResAppDx 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). In February 2020, ResApp announced that it had received approval for adult use. These regulatory approvals allow the company to sell and market its products in Australia and Europe and begin generating revenue. The Group is still at the early stage of commercialisation of its products. As at the date of this report, the Group has secured partnerships with high profile customers in the telehealth and pharmaceutical industries as well as a sales and marketing agreement with distributors in the emerging markets. These partnerships form a key foundational base from which the Group will begin to grow its business.

Whilst the Group continues to generate operating losses and net cash out flows from operations, the Group’s viability is dependent on cash inflows from commercialisation of its products, capital raising or other funding arrangements.

Notes to the Interim Condensed Consolidated Financial Statements (continued)
For the Half-Year Ended 31 December 2021

The Directors believe that the Group has been successful in building a long-term business founded on strong technology. If the Group is unable to manage cash inflows and outflows at amounts as necessary to meet future operating plans, there is a material uncertainty whether the Group will be able to continue as a going concern.

The Directors are confident that they will be able to generate cash flows that will provide sufficient funding to enable the group to continue to be able to pay its liabilities as and when it falls due for a period in excess of 12 months from the date the financial report has been signed.

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 financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be necessary should the entity not continue as a going concern.

Note 3 Significant Accounting Policies

The interim condensed consolidated 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 2021. The accounting policies have been applied consistently throughout the Group for the purposes of the preparation of these interim financial statements. Several amendments and interpretations apply for the first time in 2021, but do not have an impact on the interim condensed consolidated financial statements of the Group.

Note 4 Other Income

	Consolidated	
	31-Dec-21	31-Dec-20
	\$	\$
R&D tax incentive	700,825	274,000
JobKeeper and other grants	–	345,300
	700,825	619,300

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 2021 and 2020.

In September 2021, the Company received approval from AusIndustry for its application for an Advanced and Overseas Finding in respect to expenditure associated with its COVID-19 clinical studies. The finding covers financial years 2021, 2022 and 2023 and means that eligible overseas research and development expenditure in the Company's COVID-19 clinical studies, in addition to Australian expenditure, will be subject to a 43.5% cash rebate under the Australian Federal Government's R&D Tax Incentive Program. During the half-year ended 31 December 2021, the Company recognised an additional R&D tax incentive of \$110,825 for overseas R&D expenditures incurred in FY2021.

In December 2021, the Company received \$818,825 from its Research and Development (R&D) tax incentive claim for the financial year ended 30 June 2021. This is comprised of the R&D tax receivable recognised as of 30 June 2021 of \$708,000 (see Note 8) and the additional R&D tax incentive recognised in the statement of profit or loss during the half-year ended 31 December 2021 of \$110,825.

Notes to the Interim Condensed Consolidated Financial Statements (continued)
For the Half-Year Ended 31 December 2021

Note 5 Selling, General and Administrative Expenses

	Consolidated	
	31-Dec-21	31-Dec-20
	\$	\$
Employee costs and directors' fees	1,115,455	793,323
Professional fees (including legal fees)	377,311	126,239
Amortisation and depreciation	79,217	75,400
Share based payment expense	73,199	68,365
Sales and marketing expenses	70,509	515,595
Consulting fees	21,301	182,475
Other administration expenses	372,925	361,741
	2,109,917	2,123,138

Note 6 Research and Development Expenses

	Consolidated	
	31-Dec-21	31-Dec-20
	\$	\$
Employee costs	1,046,381	921,506
Share based payment expense	6,299	46,343
Other research and development costs	1,255,153	714,219
	2,307,833	1,682,068

Note 7 Cash and Cash Equivalents

	Consolidated	
	31-Dec-21	30-Jun-21
	\$	\$
Cash at bank	1,573,423	687,434
Short-term deposits	1,800,000	5,900,000
	3,373,423	6,587,434

Note 8 Trade and Other Receivables

	Consolidated	
	31-Dec-21	30-Jun-21
	\$	\$
Trade receivable	163,341	2,166
R&D tax rebate receivable	590,000	708,000
GST receivable	59,831	93,866
Interest receivable	–	2,195
	813,172	806,227

Notes to the Interim Condensed Consolidated Financial Statements (continued)
For the Half-Year Ended 31 December 2021

Note 9 Financial Instruments

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

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.

	Consolidated	
	31-Dec-21	30-Jun-21
	\$	\$
Financial assets		
Cash and cash equivalents	3,373,423	6,587,434
Trade and other receivables	813,172	806,227
Total financial assets	4,186,595	7,393,661
	Consolidated	
	31-Dec-21	30-Jun-21
	\$	\$
Financial liabilities		
Trade and other payables	1,313,847	1,234,936
Lease liability	116,764	190,998
Total financial liabilities	1,430,611	1,425,934

Note 10 Right-of-Use Asset and Equipment

During the half-year ended 31 December 2021, the Group acquired office and IT equipment with a total cost of \$21,953 and recognised depreciation expense of \$79,219.

Note 11 Intangible Assets

During the half-year ended 31 December 2021, the Group incurred capitalisable development costs of \$41,404 and recognised amortisation expense of \$67,458.

Note 12 Trade and Other Payables

	Consolidated	
	31-Dec-21	30-Jun-21
	\$	\$
Trade payables	339,151	334,394
PAYG withholding payable	243,918	237,601
Superannuation payable	84,116	60,988
Accrued expenses & others	646,662	601,953
	1,313,847	1,234,936

Notes to the Interim Condensed Consolidated Financial Statements (continued)
For the Half-Year Ended 31 December 2021

Note 13 Employee Benefits Provision

During the half-year ended 31 December 2021, the Group recognised provision for annual leave and long-service leave of \$40,384 and \$14,627, respectively.

Note 14 Issued Capital

There was no additional issuance of shares during the half-year ended 31 December 2021. The issued capital was \$42,935,923 and total number of shares was 859,197,077 as of 31 December 2021 and 30 June 2021.

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.

Note 15 Equity-Settled Benefits Reserve

	Number of Unlisted Options (including ESOP options)	Equity-Settled Benefits Reserve \$
Balance as at 1 July 2021	19,425,000	1,423,523
Options issued during the half-year	4,250,000	79,498
Balance as at 31 December 2021	23,675,000	1,503,021

During the half-year ended 31 December 2021, ResApp Health Limited issued the following options which were expensed as share-based payments:

- 500,000 Employee Incentive Options were issued to Employee on 2 August 2021 pursuant to the terms of the Company's Employee Incentive Plan. The Options are exercisable at \$0.05 and expire on 25 August 2025. The Employee Incentive Options vest in equal quarterly instalments over 4 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 25 August 2025.
- 3,750,000 Employee Incentive Options were issued to Employee on 3 December 2021 pursuant to the terms of the Company's Employee Incentive Plan. The Options are exercisable at \$0.069 and expire on 2 December 2026. The Employee Incentive Options 937,500 Options will vest on the date that is 12 months after the issue date; the balance of the options will vest in equal tranches of 78,125 options on a monthly basis during the period from 13 months after the issue date until the date that is 48 months after the issue date if the employee remains employed by the Company. The options are valued at the date of issue and recognised for the vesting period to 2 December 2026.

Notes to the Interim Condensed Consolidated Financial Statements (continued)
For the Half-Year Ended 31 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 half-year ended 31 December 2021.

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
13-Mar-17	0%	100%	1.48%	\$0.45	4	\$0.32	\$0.20	\$99,876
1-May-17	0%	100%	1.48%	\$0.45	4	\$0.32	\$0.20	\$50,942
11-Feb-19	0%	126%	1.47%	\$0.12	3	\$0.09	\$0.07	\$53,372
18-Feb-19	0%	126%	1.47%	\$0.11	3	\$0.09	\$0.06	\$12,645
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
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	\$190,739
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	\$27,649
6-Apr-20	0%	148%	0.25%	\$0.16	3	\$0.20	\$0.16	\$105,015
26-Nov-20	0%	139%	0.17%	\$0.16	3	\$0.09	\$0.16	\$31,456
11-Jan-21	0%	138%	0.84%	\$0.10	5	\$0.08	\$0.07	\$33,679
1-Apr-21	0%	67%	0.56%	\$0.08	4	\$0.07	\$0.03	\$6,175
19-Apr-21	0%	68%	0.31%	\$0.07	3	\$0.07	\$0.03	\$180,073
2-Aug-21	0%	64%	0.81%	\$0.05	4	\$0.04	\$0.02	\$534
3-Dec-21	0%	73%	1.32%	\$0.07	5	\$0.06	\$0.03	\$2,141
Balance at 31 December 2021								\$1,503,021

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:

	Consolidated	
	31-Dec-21	31-Dec-20
	\$	\$
Attributable to ordinary equity holders (used in calculating basic and diluted EPS) – continuing operations.	(3,634,301)	(3,127,043)
Weighted average number of ordinary shares for the purpose of basic and diluted earnings per share adjusted for share consolidation	859,197,077	756,766,228
Loss per share (basic and diluted) (cents)	(0.42)	(0.41)

Notes to the Interim Condensed Consolidated Financial Statements (continued)
For the Half-Year Ended 31 December 2021

Note 17 Lease Liability

Set out below are the carrying amounts of lease liability and the movements during the period:

	Consolidated	
	31-Dec-21	30-Jun-21
	\$	\$
Balance as at beginning of the period	190,998	328,891
Accretion	2,200	10,809
Payments	(76,434)	(148,702)
Balance as at end of period	116,764	190,998

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 18 Contract liabilities

During the half-year ended 31 December 2021, the Group recognised additional contract liabilities of \$242,000 and recognised \$30,000 as “revenue from contracts with customers” in the statement of profit or loss.

Note 19 Commitments

	Consolidated	
	31-Dec-21	31-Dec-20
	\$	\$
<i>Not later than 1 year</i>		
Research and development	169,719	7,692
Selling, general and administrative	92,013	25,000
Total commitments	261,732	32,692

Note 20 Subsequent Events

On 24 January 2022, ResApp announced that it has signed a binding letter of intent (LOI) with Homify, a Philippines-based telehealth startup. Homify will integrate ResAppDx into their telehealth services which they plan to launch mid-2022.

On 1 February 2022, ResApp announced that the China National Intellectual Property Administration has accepted for grant the company’s patent application 201910202125.5 titled, “A method and apparatus for processing patient sounds.” This patent covers the use of a cough sound-based audio processing pipeline for diagnosing respiratory disease.

On 14 February 2022, ResApp announced that it has signed a two-year, non-exclusive agreement with Australian aged care patient monitoring platform provider Health Teams Pty Ltd for them to use ResAppDx on both their telehealth platform and for in-room patient consultations. Health Teams expects to launch ResAppDx on their platform during the second quarter of this calendar year.

The above matters are non-adjusting events and did not have an impact on the 31 December 2021 financial report.

Notes to the Interim Condensed Consolidated Financial Statements (continued)
For the Half-Year Ended 31 December 2021

Note 21 Segment Reporting

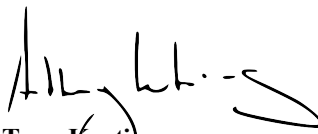
The Group has identified its operating segment as medical technology. The reportable segment is represented by the primary consolidated statements forming the financial report for the half-year ended 31 December 2021. These are the figures that are reviewed and used by the Board of Directors in assessing performance and determining the allocation of resources.

Directors' Declaration

The Directors' of the Group declare that:

1. The accompanying interim condensed consolidated 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 2021 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
25th day of February 2022

Independent auditor's review report to the members of ResApp Health Limited

Conclusion

We have reviewed the accompanying half-year financial report of ResApp Health Limited (the Company) and its subsidiaries (collectively the Group), which comprises the consolidated statement of financial position as at 31 December 2021, the consolidated statement of profit or loss and comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes comprising a statement of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of the Group does not comply with the *Corporations Act 2001*, including:

- a. Giving a true and fair view of the consolidated financial position of the Group as at [period date] and of its consolidated financial performance for the half-year ended on that date; and
- b. Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* (ASRE 2410). Our responsibilities are further described in the *Auditor's responsibilities for the review of the half-year financial report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Material uncertainty related to going concern

We draw attention to Note 2 in the financial report, which describes the principal conditions that raise doubt about the Group's ability to continue as a going concern. These events or conditions indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Directors' responsibilities 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 responsibilities for the review of the half-year financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether 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 2021 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*.

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.

A handwritten signature in black ink that reads 'Ernst & Young'. The signature is stylized and includes a horizontal line with a dot underneath it.

Ernst & Young

A handwritten signature in black ink that reads 'Madhu Nair'. The signature is stylized and includes a horizontal line with a dot underneath it.

Madhu Nair
Partner
Brisbane
25 February 2022