

Quarterly Activities Report

for the period ending 30 September 2020

- **ResAppDx deployed with leading telehealth providers Coviu and Phenix Health - additional partnerships expected to materialise in coming months**
- **ResAppDx for Android launched post quarter end**
- **SleepCheck now available in 36 countries with marketing campaigns underway**
- **Partnerships secured with Diabetes Queensland and HealthEngine to promote SleepCheck**
- **Strong cash position maintained - \$5.8m cash at bank as at 30 September 2020**

Brisbane, Australia, 30 October 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 activities update for the three month period ended 30 September 2020 ("Q1 FY2021"). During the quarter, ResApp achieved a number of key milestones, which will allow the company to scale over the coming months.

Operational overview

Service agreement to use ResAppDx on Coviu's telehealth platform

ResApp secured a two-year service agreement with Coviu to make ResApp's acute respiratory diagnostic test, ResAppDx available to Coviu's telehealth customers within Australia. Coviu is a spinout of CSIRO's Data61 initiative that offers video consultation software to healthcare businesses and brings the specific workflows and necessary tools for healthcare consults into an online video call. Under the agreement, ResApp receives a licence fee per test in the range of \$5 to \$10.

ResApp did not witness a material number of tests from the Coviu partnership during the period. This is due to Coviu's General Practitioner (GP) user base migrating to the currently free-to-use healthdirect video call platform. The healthdirect video call platform is powered by Coviu and managed by healthdirect Australia, on behalf of the Commonwealth Department of Health. As an initiative under the department's coronavirus pandemic response, healthdirect has offered the healthdirect video call platform for free to Australian GPs.

Due to the speed of the pandemic response, the initial arrangements for the healthdirect video platform did not include third-party add-on offerings. However, ResApp has advanced discussions with Coviu to offer ResAppDx on the healthdirect platform. ResApp is confident that providing access to ResAppDx to healthdirect users will considerably bolster test numbers.

ResAppDx launched on Phenix Health's telehealth application

ResApp advised that it progressed the launch of ResAppDx software on Phenix Health's telehealth mobile application. Phenix Health is Australia's leading virtual super clinic focused on delivering mobile solutions to connect healthcare professionals and patients. Under the agreement, ResApp receives a license fee per test in the range of \$5 to \$10.

As a telehealth-only provider, Phenix is continuing to navigate the challenging regulatory landscape around telehealth reimbursement in Australia. Currently, patients are required to have had an in-person consultation within the last twelve months to qualify for reimbursement. This has meant that patients can access free telehealth through their regular GP while Phenix has not been able to offer bulk-billed consultations. Coupled with social distancing measures leading to reduced respiratory disease rates, Phenix has seen a very low number of acute respiratory consultations that would necessitate the use of ResAppDx during the period. The company will continue to work with Phenix to assist where possible to drive growth in testing.

Continued use of ResAppDx at federally funded COVID-19 respiratory clinic:

ResApp continued to supply ResAppDx technology to the Health Hub Doctors Morayfield clinic. The clinic was one of the first federal government funded COVID-19 respiratory clinics set up to take pressure off local hospitals.

The clinic tends to ~300 patients per day and has over 65 general practitioners and specialists on staff. This partnership provides ResApp with valuable real-world evidence and feedback from healthcare professionals and patients that can be leveraged for product commercialisation and research purposes. ResApp chose to extend the clinic's no-cost licence to use the application for an additional three months from 1 September 2020.

Ilara Health starts evaluation of ResAppDx in Kenya

Following quarter end, Ilara Health's evaluation of ResAppDx started recruiting patients at five medical sites in Kenya. Ilara is a Kenyan company working to make healthcare diagnostic services more accessible, affordable and accurate in Africa. 500 million people in Africa struggle to access high quality healthcare and ResAppDx, as a low cost and accurate point-of-care diagnostic test, could play a significant role in improving healthcare in the region.

ResAppDx launches on select Android devices

Subsequent to the end of the period, ResApp launched ResAppDx on a select set of Android devices. This considerably broadens the addressable market for the application and follows extensive internal testing to ensure ResAppDx conforms to the required standards. The application is now available for use on the Samsung Galaxy S9, S10 and S20, with a number of additional devices earmarked to follow.

SleepCheck now available in 36 countries

ResApp considerably broadened the addressable market for SleepCheck, its direct to consumer sleep apnoea screening test, following the launch of the application on the App Store for iPhone

in 36 countries. SleepCheck is now available in English, German, French, Portuguese, Spanish and Italian and available to purchase through the App Store throughout Europe, the United Kingdom, Australia, New Zealand, Hong Kong and Singapore. ResApp will further broaden the addressable market for SleepCheck by launching SleepCheck for Android before the end of this calendar year.

Partnership with Diabetes Queensland to promote SleepCheck

ResApp established a partnership with Diabetes Queensland to promote SleepCheck and raise awareness of sleep apnoea in people living with diabetes. Approximately 1.2m people in Australia live with type 2 diabetes and there are an estimated 500,000 additional undiagnosed cases. Recent studies have shown that there are strong links between type 2 diabetes and sleep apnoea.

To combat this, ResApp has partnered with Diabetes Queensland to raise awareness and promote SleepCheck as a screening test for people with diabetes that may be suffering from sleep apnoea. Promotional material has included the launch of a dedicated website (www.sleepcheckapp.com/diabetes), which includes content provided by Diabetes Queensland.

ResApp is confident that the partnership will expedite uptake of its SleepCheck application in Australia and provide invaluable marketing and exposure to a large user base.

Partnership with Australia's largest consumer healthcare network

Subsequent to the end of the period, ResApp secured a 12-month, non-exclusive marketing agreement with HealthEngine to integrate its booking engine into SleepCheck. HealthEngine is a consent-driven platform that helps patients find, book and connect with healthcare service providers through its online booking network. The group has assisted over seven million Australians to make more than 30 million bookings online.

Under the agreement, ResApp will integrate HealthEngine's booking network into SleepCheck. In turn, HealthEngine will also promote the use of the application. If SleepCheck identifies a person with sleep apnoea, it will allow the user to easily book an appointment with their GP or another healthcare professional through a dedicated landing page managed by HealthEngine.

ResApp retains the revenue derived from the app download and will receive a share of revenue from HealthEngine for every new patient referred through SleepCheck. This sharing model creates a new revenue stream for ResApp and is another partnership that can underpin the scale up of SleepCheck.

Growth in SleepCheck download rates and outlook

The company is pleased with the growth in SleepCheck downloads during the quarter, achieving a total of 3,768 for the period. This takes the total cumulative downloads to 3,946. The increased download rate during the second half of the quarter stemmed from the commencement of the company's marketing campaign in Australia during August.

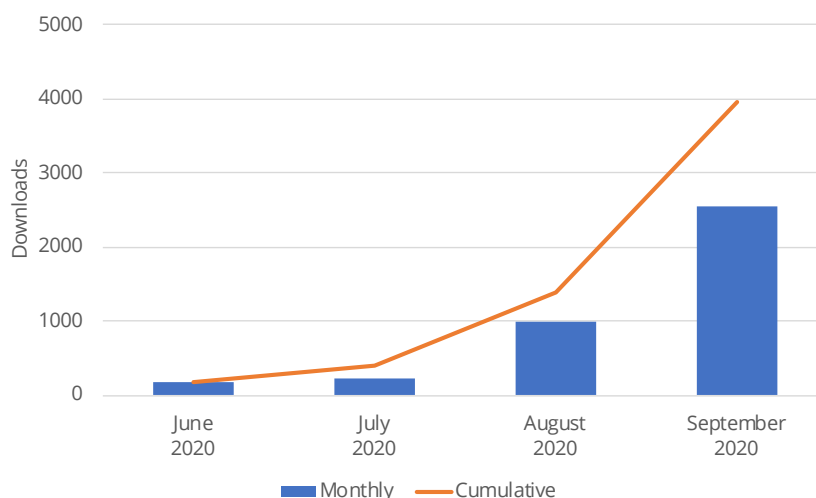


Image: SleepCheck download rates - June 2020 – September 2020

The company is confident that download rates will continue to grow during the current period, particularly as marketing in the United Kingdom ramps up and ResApp secures additional agreements with local and international partners. The company looks forward to updating shareholders on progress over the coming months.

SleepCheck Pre-Submission package lodged with the US FDA

ResApp filed a Pre-Submission package with the United States Food and Drug Administration (FDA) and requested a meeting with the regulatory body to progress the clearance of SleepCheck for use in the United States.

The package was lodged as part of the FDA's Pre-Submission program, which provides applications with the opportunity to obtain targeted feedback from the organisation in response to questions related to their marketing application or data requirements prior to a pre-market submission. A meeting with the FDA has been scheduled for November to discuss the 510(k) regulatory pathway for SleepCheck.

AstraZeneca Japan to use new ResApp software in lung cancer clinical study

Following quarter end, ResApp finalised a non-exclusive licence agreement with AstraZeneca K.K. ("AstraZeneca"), the Japanese subsidiary of global biopharmaceutical company AstraZeneca PLC. for use of ResApp's new cough counting smartphone application in a trial of patients undergoing treatment for lung cancer. Cough frequency is a key factor in respiratory disease progression and management. Traditionally, the only ways to measure the occurrence of cough is by subjective self-reporting or manually listening to audio recordings.

The new application is the result of over 12 months' development and uses patent-protected technology to identify and record the number of coughs from a patient. These measurements are then uploaded in real time with a date and time stamp to allow researchers and healthcare professionals to monitor the patient.

ResApp and AstraZeneca will spend the next two months refining the Japanese version of the application to AstraZeneca's specifications for use in the trial. AstraZeneca will pay a monthly licencing fee for each patient enrolled in the study, as well as a monthly support fee for the duration of the study.

The company is also exploring opportunities to integrate the technology into a range of hardware devices and existing products, including smart devices. Discussions with large industry partners are underway and ResApp is confident further developments will be made in the coming months.

Corporate overview

Receipts from customers for the period were \$3,000. This is due to the company only receiving payment from Apple for SleepCheck downloads during the slower downloaded months of June and July. The company expects to receive payment for August and September downloads during the current period. With ResAppDx now available on select Android devices, new telehealth licensing opportunities are enhanced, particularly in the well-established European market. SleepCheck downloads will also be greatly enhanced by the launch of SleepCheck for Android expected by the end of this calendar year.

The overall cash increase for the period was \$10,000. The net cash used in operating activities was \$1.44m, and the company received \$1.525m in proceeds from the exercise of options.

Research and development activities of \$377,000 for the quarter included technology development as well as clinical and regulatory activities. Staff costs for the period were \$815,000 and administration and corporate costs were \$317,000. The Company has materially increased its marketing expenses to \$142,000 for the quarter (up from \$8,000 last quarter), primarily on marketing its SleepCheck app. The company also received \$196,000 in government grants and tax incentives associated with the federal government's JobKeeper and cash flow boost programs and state government coronavirus-related grants. The related party payment of \$105,000 reported in item 6.1 of the Appendix 4C related to payment of non-executive director fees (\$35,000) and Managing Director remuneration (\$70,000).

ResApp remains well funded with \$5.8m in cash at the end of the period.

Management commentary

CEO and Managing Director Dr Tony Keating said: *"ResApp achieved a number of key milestones during the period, which have created a strong foundation for it to leverage during the current quarter and beyond. We have secured partnerships with two of Australia's leading telehealth platforms and will continue to work with both Phenix and CoviU to explore opportunities that will expedite the uptake of ResAppDx amongst clinicians, allowing the company to strengthen its revenue*

stream. We have also continued to pursue other agreements locally and internationally and made considerable progress.

"Our national marketing campaign for SleepCheck has resulted in good uptake amongst consumers. Download rates have continued to grow strongly month-by-month and we anticipate that these will increase as more aggressive marketing continues in the UK and other countries.

"ResApp has retained a strong cash balance, which provides us with financial flexibility and ample runway to scale operations over the coming months."

Investor conference call

Shareholders are invited to join a conference call hosted by Tony Keating, CEO and Managing Director at 11:00am Australian Eastern Daylight Time (AEDT) 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/10010662-uye8sz.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, an at-home sleep apnoea screening app for 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.

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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 September 2020

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	3	3
1.2 Payments for		
(a) research and development	(377)	(377)
(b) product manufacturing and operating costs	-	-
(c) advertising and marketing	(142)	(142)
(d) leased assets	-	-
(e) staff costs	(815)	(815)
(f) administration and corporate costs	(317)	(317)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	6	6
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	196	196
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(1,446)	(1,446)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	(10)	(10)
(d) investments	-	-
(e) intellectual property	-	-
(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 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)	-	-
2.6	Net cash from / (used in) investing activities	(10)	(10)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	1,525	1,525
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
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	(37)	(37)
3.10	Net cash from / (used in) financing activities	1,488	1,488

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	5,775	5,775
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,446)	(1,446)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(10)	(10)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	1,488	1,488
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	5,807	5,807

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	5,807	5,775
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	5,807	5,775

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	(105)
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.		

7.	Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	Total financing facilities	-	-
7.5	Unused financing facilities available at quarter end		-
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.		

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(1,446)
8.2	Cash and cash equivalents at quarter end (item 4.6)	5,807
8.3	Unused finance facilities available at quarter end (item 7.5)	-
8.4	Total available funding (item 8.2 + item 8.3)	5,807
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1)	4
<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.

30 October 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.