



25 November 2019

Dear Shareholders,

It has been a tremendously successful year for ResApp, culminating in regulatory approvals in Australia and Europe for our lead product, ResAppDx-EU, the world's first, regulatory approved, clinically validated smartphone app for diagnosing acute respiratory disease. Clinicians can now access a rapid and accurate diagnostic test for the most commonly seen acute respiratory diseases, and ResAppDx-EU has the potential to deliver far-reaching benefits throughout the healthcare system.

We founded ResApp in July 2015 because we saw a clear opportunity to improve telehealth, which was, and still is, one of the fastest-growing areas of healthcare. Telehealth has the potential to significantly improve the delivery of acute care, increasing patient convenience and access to high-quality care while decreasing costs. Up to half of all telehealth visits are respiratory-related and ResApp has the only regulatory approved test that can provide an accurate diagnosis using the patient's own smartphone, without the need for an additional device.

Beyond telehealth, ResApp's algorithms have great potential in busy emergency departments and urgent care centres, which are under continued pressure due to increasing patient volumes. An accurate, rapid, point-of-care diagnostic test would streamline operations, delivering reduced wait times, shorter stays and lower costs. Acute respiratory disease diagnosis today is subjective, with few diagnostic tests and aids available. The objective diagnostic information provided by ResApp's algorithms could help clinicians make more accurate decisions faster, improving patient outcomes.

Potentially, the next regulatory milestone for ResAppDx is approval in the United States (US). After completing our SMARTCOUGH-C-2 study, we submitted a De Novo classification request to the US Food and Drug Administration (FDA) in April this year, and this submission continues through the review process. We are encouraged by the positive interactions with the FDA as we work with them through their review.

Over the past few years we have broadened our product portfolio beyond acute diagnosis, with excellent results from clinical programs in the management of asthma and chronic obstructive pulmonary disease (COPD), partnership projects with Sanofi and Lockheed Martin, well-advanced efforts to deliver handheld and wearable devices for specific applications, and successful clinical studies in obstructive sleep apnoea. These products leverage our capabilities as the world's leader in using audio as a biomarker for lung health, they provide multiple, large-scale commercial opportunities and, most importantly, they give us the opportunity to improve the health of billions of people globally.

Commercialising and Moving Forward with Acute Respiratory Disease

With the completion of pivotal adult and paediatric clinical studies in Australia, completion of a pivotal paediatric study in the US, regulatory approvals in Europe and Australia, and a De Novo submission to the FDA under review, we are now beginning the transition towards commercialisation of our acute respiratory disease portfolio.

During the last year we have built a solid foundation for commercialisation. A crucial milestone was achieved when results from the Australian paediatric Breathe Easy study were published in the peer-reviewed medical journal *Respiratory Research*. Further acceptance among clinicians was secured with presentations of the US SMARTCOUGH-C-2 study results at the American Thoracic Society's International Conference and presentations of the Australian adult Breathe Easy study results at the European Respiratory Society's International Congress and the Asia Pacific Society of Respiriology. These efforts formed an essential part of demonstrating to the clinical community the validity of our science. Much of this work has been done by our clinical partners and we are grateful for their continued support.

In parallel, we continue to ramp-up our business development activities – engaging with key opinion leaders, presenting at major healthcare industry events such as Connected Health and HLTH, and performing proactive one-on-one business development with telehealth providers and healthcare systems globally. In the US, we have leveraged the connections and the vast experience of our Industry Advisory Board members, Dr Joseph Kvedar and Naomi Fried to launch our US commercialisation efforts.

With regulatory approvals in Europe now secured, we are expanding our commercial team to support business development, marketing and sales activities, and we are actively recruiting a head of sales and marketing for Europe. These efforts are working, and our commercial pipeline contains a growing number of opportunities at different stages.

Our work with the Consumer Health division of Sanofi under the Startup Creosphere program represents the next step towards personal diagnosis and management of acute respiratory disease. We are excited to be collaborating with Sanofi's Consumer Health team to design and build a smartphone application that would allow consumers to self-assess their respiratory symptoms, and most importantly, provide next steps. This is a challenging task but with the combined strengths of the teams involved we are already making significant progress.

Laying the Foundations for Chronic Respiratory Disease Management

Over the last year we've proven that cough audio can be used as a biomarker for managing lung health. In pivotal clinical studies, our algorithms have accurately identified COPD and asthma exacerbations using cough sounds and we've received regulatory approval for these in Europe. Identifying exacerbations in patients with COPD or asthma is an important measure that can close the loop between disease and its treatment. We have now created a huge opportunity to provide digital management programs that not just tell a patient what to do, but by knowing the state of their disease, also tell them when to take action and whether or not that action has been successful. This, we believe, will lead to better patient outcomes.

Widespread screening for chronic respiratory disease is another exciting opportunity. Diseases such as COPD are significantly under-diagnosed globally and we have already seen significant interest in several markets for COPD screening tools that can be deployed at large, population-

level scale. We have pivotal clinical study data that shows our algorithms can accurately identify COPD in a broad general population and are actively progressing a number of near-term opportunities in this area.

Quickly Progressing Sleep Apnoea Screening Towards Commercialisation

We achieved a significant milestone in September when the at-home phase of our obstructive sleep apnoea clinical study was completed. This study demonstrated that our algorithms performed exceptionally well when compared to an American Academy of Sleep Medicine (AASM) Type II home sleep test, similar to the excellent results we obtained previously compared to a full AASM Type I polysomnography test in a sleep laboratory. These studies represent an important technical milestone and we can now progress into the regulatory and commercialisation stages.

Sleep apnoea represents a significant commercial opportunity for us. Worldwide, nearly one billion people suffer from sleep apnoea and 80% of those with moderate or severe sleep apnoea remain undiagnosed. Undiagnosed sleep apnoea has serious health consequences and has been linked to increased risk of heart disease, stroke and type 2 diabetes. Today there is no solution that can screen for sleep apnoea at-scale in the general population. We have a unique opportunity to fill this gap and provide a low-cost, highly-scalable sleep apnoea screening smartphone app, that only requires a user to place their own smartphone on a bedside table to make an assessment while they sleep. Our product will be able to objectively measure their sleep apnoea risk level and provide advice on next steps.

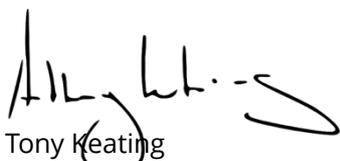
We have multiple strategic options for bringing this product to market and we expect these to take shape over the next six months.

Building Long Term Value

I am exceptionally proud of our team and I am grateful for their creativity, dedication and hard work. We operate in one of the fastest-changing areas of healthcare, and, as a team, we collectively try to make decisions that are best for the long-term success of our products and our company. We are focused on delivering the best audio-based algorithms for measuring lung health, on creating the easiest to use software, and on working with world-class partners to make a real impact on how patients and their doctors diagnose, manage and treat respiratory disease. We firmly believe this is the best way to build long term value for you, our shareholders.

We extend our thanks to our shareholders for their continued support and belief in our company. We are excited about what comes next and hope that you will continue this journey with us.

Sincerely,



Tony Keating
Chief Executive Officer and Managing Director
ResApp Health Limited

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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 respiratory disease. ResApp's machine learning algorithms use sound to diagnose and measure the severity of respiratory conditions without the need for additional hardware. Clinical studies at leading hospitals in Australia and the United States have demonstrated accurate diagnosis of lower respiratory tract disease, upper respiratory tract infections, asthma/reactive airway disease, pneumonia, bronchiolitis, croup, chronic obstructive pulmonary disease and obstructive sleep apnoea. ResApp's smartphone-based acute respiratory disease diagnostic test, ResAppDx-EU, is CE Marked in the European Union and TGA approved in Australia. Potential customers of ResApp's products include healthcare providers in telehealth, emergency department, urgent care and primary care settings as well as humanitarian organisations in the developing world. For more information, please visit www.resapphealth.com.au.

Contacts

Dr Tony Keating
CEO and Managing Director
+61 430 180 659
tony@resapphealth.com.au

Mr Brian Leedman
Vice President, Corporate Affairs
+61 412 281 780
brian@resapphealth.com.au