

# Capital Raising Presentation

RESPIRI



**Capital Raising to Accelerate the Commercialisation of Respiri's Remote Patient Services in the U.S.**

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# Important Notices and Disclaimer

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# Executive Summary

## Respiri Overview


- Respiri is a provider of Remote Patient Monitoring (RPM) for individuals in the U.S. with chronic health conditions
- Utilises technology and Care Coordinators to monitor and collect health data from patients, which is then transmitted to healthcare providers for continuous monitoring and timely interventions when needed
- Preventative approach to healthcare to address the reactive traditional system and manage cost inflation, which is currently outpacing funding

## Key Operational Milestones

- **Record patient program enrolment** with a 67% QoQ increase in total Patient Program 

- **Continued momentum in revenue growth** with invoiced revenue increasing 29% QoQ 

- **Successful integration of Orb Health**, 2.4K patients, UPEC product line extension, US\$2.2M cost synergy, US\$1.3M+ cross-sell 

- **Six significant new contracts** with major ACO, IPA and other healthcare organisation expected to be announced in coming months 

## Capital Raising Overview

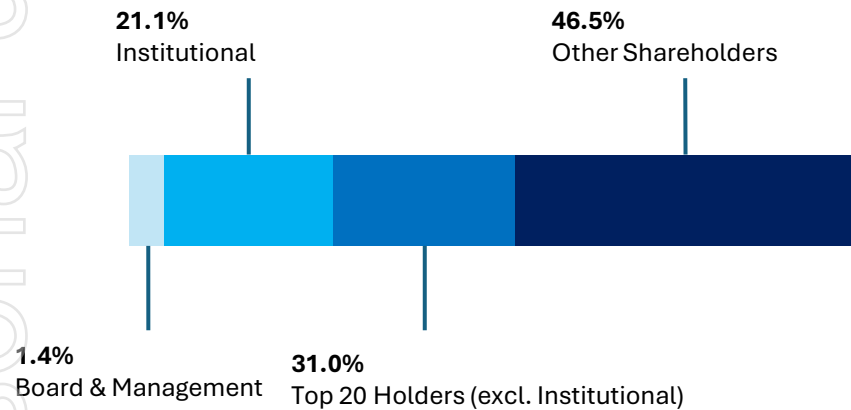
- Respiri is planning to raise equity capital via an institutional placement
- Equity raising will provide essential growth capital to accelerate commercialisation in the U.S. market, support ongoing operations, and fund Respiri to cash flow breakeven
- Uses of funds:
  - Scaling sales and account management teams
  - Preparation for ACO/IPA contracts
  - Enhancement of technological capabilities
  - Marketing and customer engagement
  - Working capital

# Capital Structure

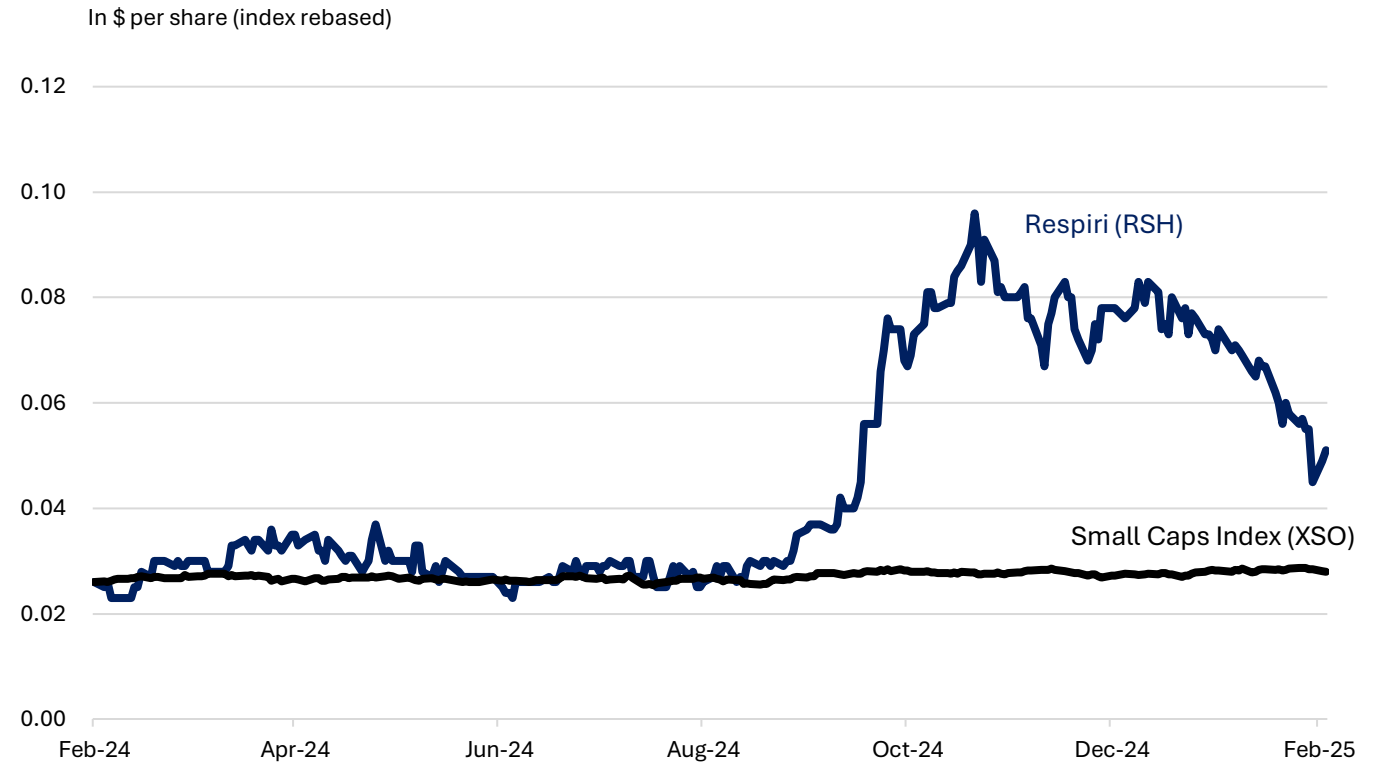
## Respiri Capital Structure

Last Traded Share Price (A\$/share)	\$0.048
Shares Outstanding (#)	1,502 million
<b>Market Capitalisation (A\$)</b>	<b>\$72.1M</b>
Net Cash <sup>(1)</sup> (A\$)	\$1.3M
<b>Enterprise Value (A\$)</b>	<b>\$73.4M</b>
Quoted Options Outstanding (#)	76.2 million
Un-quoted Options Outstanding (#)	206.7 million

## Ownership Structure



## Share Price Performance Last 12 Months



### References

1. Cash and cash equivalents as at 31 December 2024

# Investment Highlights

**~6,500<sup>1</sup>**  
patient programs  
+ **Orb UPEC<sup>2</sup>** patient services

**40**  
clients contracted

**6**  
major clients in late-stage contract negotiations

**~US\$5.5M**  
run-rate ARR

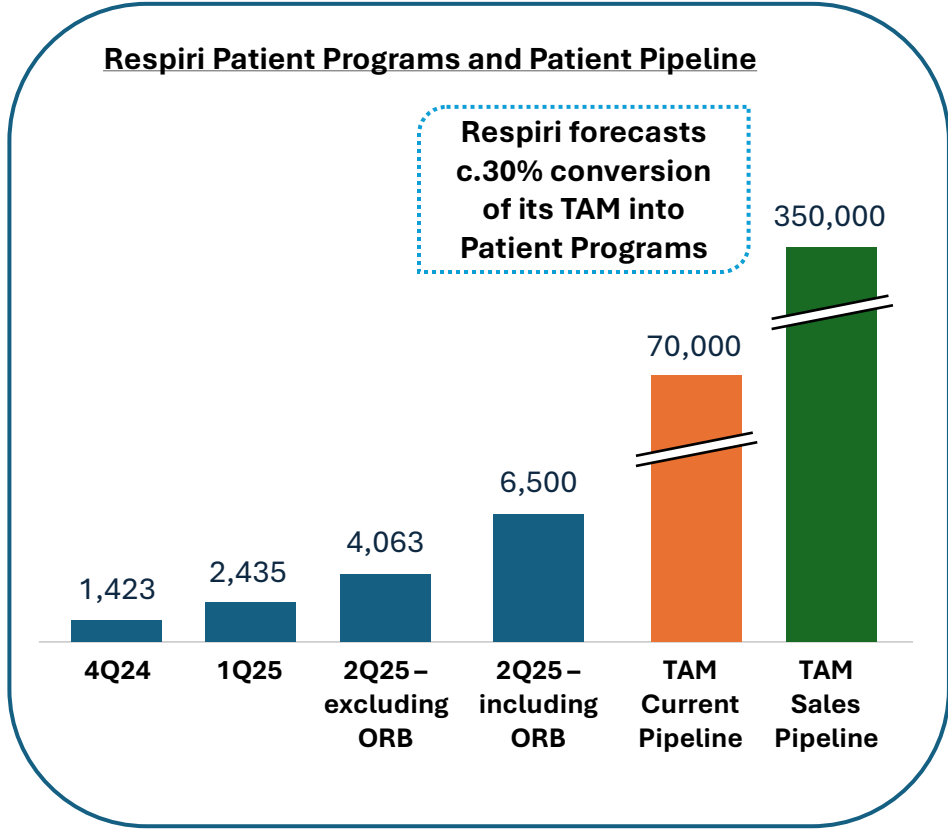
**70,000 patient<sup>3</sup>**  
current client base  
**350,000 patients<sup>3</sup>**  
sales pipeline

**Orb Acquisition Completed**  
US\$4.2M revenue  
US\$2.2M synergy  
US\$1.3M+ upsell

**De-bottlenecking**  
workflows to enable the capacity to onboard **2,000 new patients per week**

**56% reduction**  
in re-hospitalisations for clients in **current programs**

**Unique Wheezo**  
RPM device and risk share patient alignment



References

1. Includes 4,063 existing patients, with the remaining patients acquired through the acquisition of ORB
2. UPEC = Universal Patient Engagement Centre Services
3. Respiri forecasts, based on historical conversion rates, that it will convert approximately 30% of its TAM of patients into revenue-generating programs, which will be serviced via its RPM systems

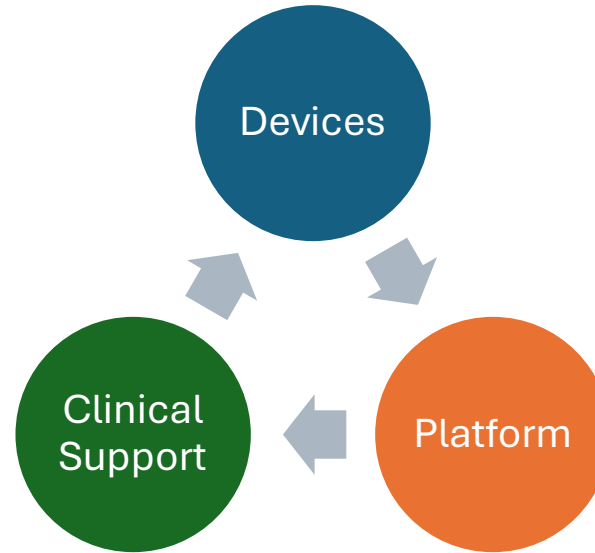
# Revisiting: What Does Respi Do?

## What does Respi do?...

### Remote Patient Monitoring

- Remote Patient Monitoring (RPM) refers to healthcare services delivered remotely using telecommunications technology
- Purpose is to enable healthcare providers to monitor and manage patients' health without the need for an in-person visit

## How does Respi deliver RPM?



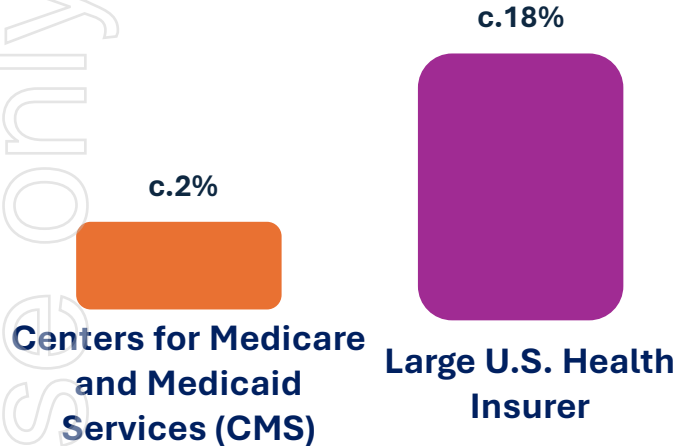
- **Easy-to-use devices** → delivered through proprietary Wheezo and other devices to monitor patient conditions remotely
- **Platform** → share data with healthcare professionals and access clinical support staff via Respi's proprietary platform
- **Clinical support** → 'Care Coordinators' to support patients and customers

## Who is the target market for RPM?

- >65 years of age
- Medicare insured patients
- High-risk/high-needs populations overlooked by traditional care
- Complex chronic conditions and common comorbidities

# Challenges Facing the U.S. Health Market

CMS budget increases vs key insurer cost growth in 2024



**WHAT?**

Costs for major U.S. health insurers are growing at a rate disproportionate to CMS budget increases

**WHY?**

Significant increase in primary care and hospital costs

## Why are costs increasing?...

### Ageing Population

- Demographic shifts are a significant driver of rising healthcare costs, as more baby boomers reach Medicare age

### Reactive Healthcare Delivery

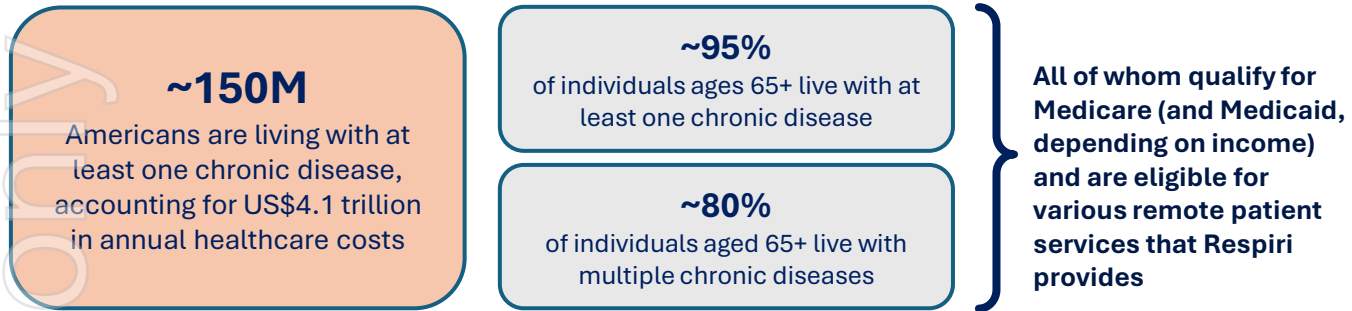
- Limited preventative steps are taken once a patient leaves traditional healthcare settings
- Traditional model of care is reactive and fails to develop personalised solutions for complex patients, leading to repeat hospitalisations and increased primary care costs

## Drivers of continued cost pressure ...

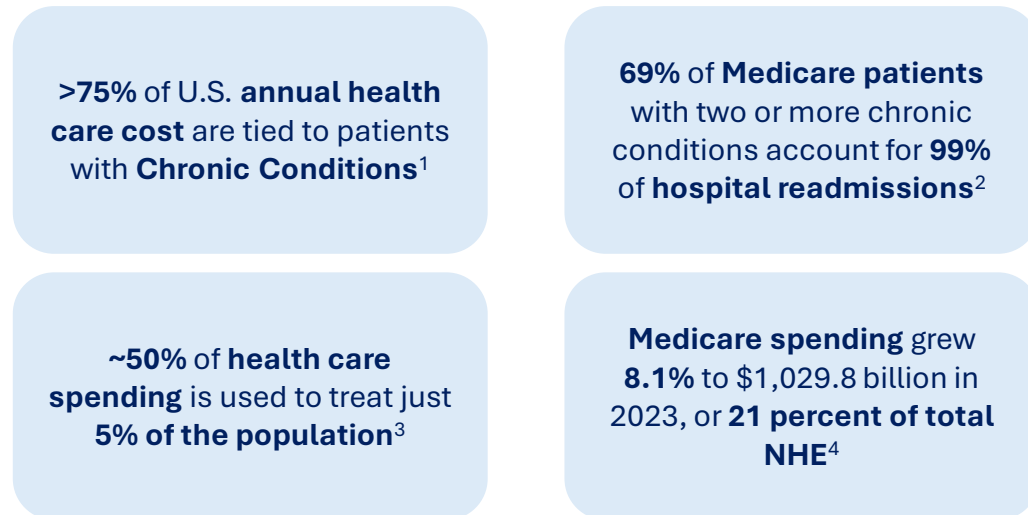
- Growing portion of Americans **>65 years of age**
- Increasing number of **Medicare insured Americans**
- Increasing prevalence of **complex chronic conditions**
- Current healthcare delivery is designed to respond to acute diseases, **failing to effectively respond to chronic conditions**

# Why Is There a Need for Remote Patient Services?

## The current situation<sup>1</sup> ...



## The key data points highlighting the problem ...



## Solution? ...

### Remote Patient Monitoring

Key outcomes achieved by Respi's clients:

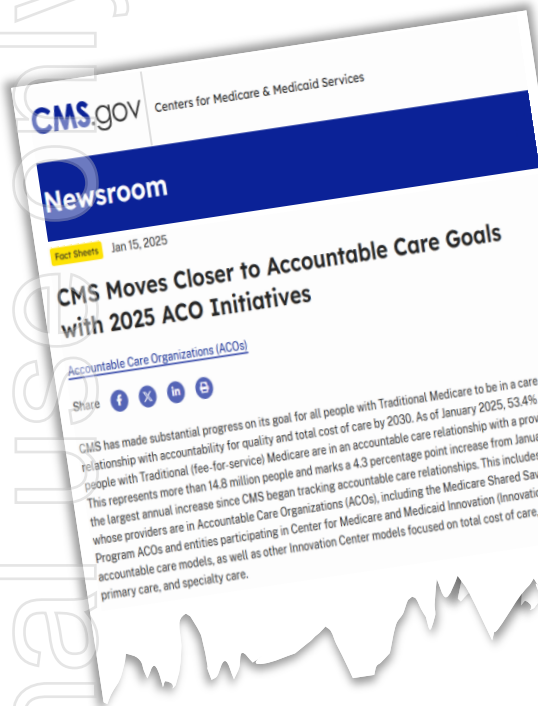
- ✓ **56% reduction** in re-hospitalisations
- ✓ **42% reduction** in length of hospital stay
- ✓ **47% reduction** in emergency room visits
- ✓ **91% improvement** in medication compliance

Respi's RPM services **improves patient outcomes, reduces hospital readmissions, enhances patient engagement, and saves healthcare costs** by providing proactive care and allowing for better management of **complex chronic conditions**

#### References

1. <https://www.cdc.gov/chronic-disease/>
2. <https://www.cms.gov/data-research/statistics-trends-and-reports/chronic-conditions/chronic-conditions>
3. <https://pubmed.ncbi.nlm.nih.gov/22619775/>
4. <https://www.cms.gov/data-research/statistics-trends-and-reports/national-health-expenditure-data/nhe-fact-sheet>

# Key Government and Industry Body Support



*CMS moves closer to Accountable Care goals<sup>1</sup>*

*AMA recommends significant expansion of Remote Care<sup>2</sup>*

## Summary of announcement:

- CMS has mandated and made substantial progress toward its goal of having all individuals with Traditional Medicare (fee-for-service) in a care relationship that holds providers accountable for quality and total cost by 2030

## Outcome for RespiRI:

- **Endorsement of RespiRI's strategy** in the expanding U.S. healthcare market, where Remote Patient Services programs are emerging as **key, cost-effective components** of the essential healthcare investment mix

## Summary of announcement:

- AMA announced proposed changes to reimbursement criteria for RPM programs, making it easier for Providers to claim reimbursement for certain services

## Outcome for RespiRI:

- Proposed CPT changes, is forecasted to have a **100% increase** in monitoring services delivered by RespiRI's clinical staff – **US\$70-US\$90 to US\$140-180 pppm**

## References

1. <https://www.cms.gov/newsroom/fact-sheets/cms-moves-closer-accountable-care-goals-2025-aco-initiatives>
2. <https://cdn-api.markitdigital.com/apiman-gateway/ASX/asx-research/1.0/file/2924-02877032-3A654884>

# Risk Share Model – The Future of U.S Healthcare Delivery

Respiri currently derives revenue from two different models:

## 1. Fee-for-service (FFS)

- Revenue derived from Medicare reimbursement codes (CTP codes)
- Respiri derives revenue from interacting with patient that comply with CTP code requirements
- Average FFS revenue for Respiri is **US\$70-90** per patient per month (pppm)

## 2. Risk-share model

- Outcome driven model with the objective to save costs per patient
- Fixed revenue of US\$10-40 per member per month (pmpm) PLUS
- An agreed proportion of member cost savings on a yearly basis

- The CMS provides a budget to the healthcare insurers with a risk-sharing mechanism to incentivise cost savings
- The healthcare insurers are now commencing to ‘push down’ this model to health provider organisations to align objectives
- While it is still a relatively small portion of the total, the healthcare insurers are highly focused on making the risk-share model the norm

## Outcome for Respiri

- Respiri has been recently engaged in a pilot program for a 5,000 patient risk-share agreement

Respiri pilot program	
Patients in program	5,000
Management fee (PMPM)	US\$20
Yearly revenue	US\$1.2M
Insurer total cost budget	US\$50M
Cost savings (% of budget)	10%
Respiri portion of savings	US\$1.25M
Total revenue for Respiri	US\$2.45M
PMPM	US\$41

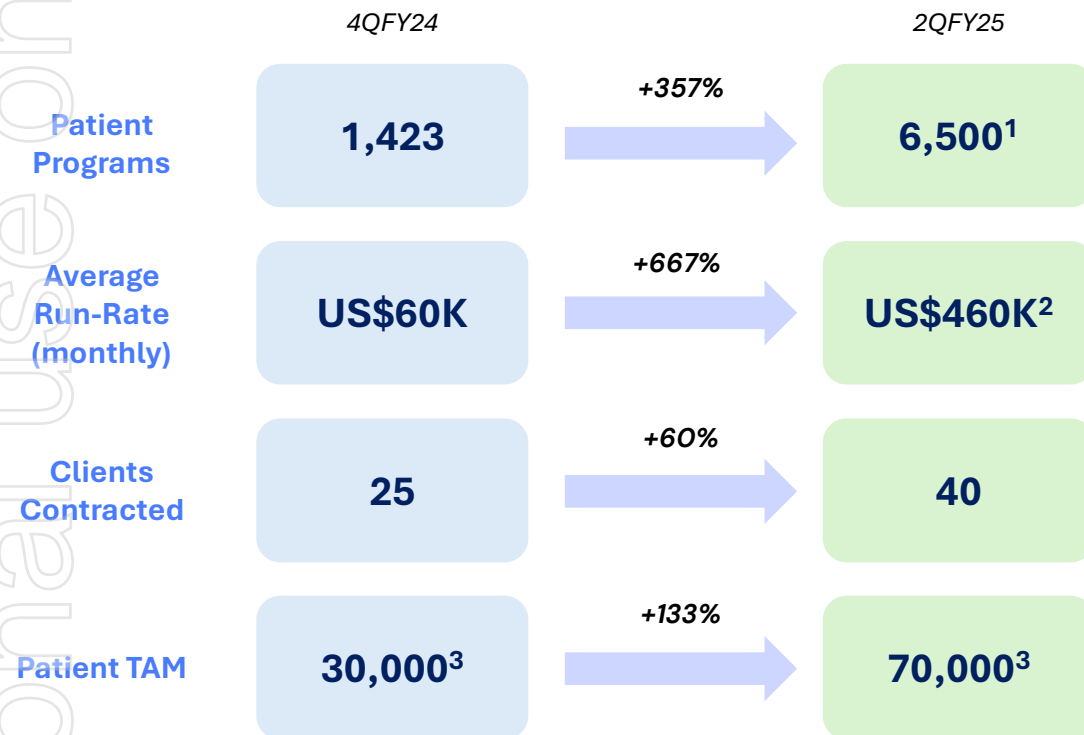
- Respiri calculates that it will only need to actively manage 10-15% of the cohort, or 500-750 high-risk patients
- The remaining patients require minimal cost allocation and will simply be monitored by Respiri

**US\$272 — US\$408  
pppm**

# Respiri's Operational Momentum is Driven by Its Unique Value Proposition

Respiri has experienced significant acceleration in its business, with key performance indicators (KPIs) reflecting strong momentum

## Key Performance Indicators



## What are the key factors behind Respiri's success?...

### Breakdown of Respiri's Unique Value Proposition:

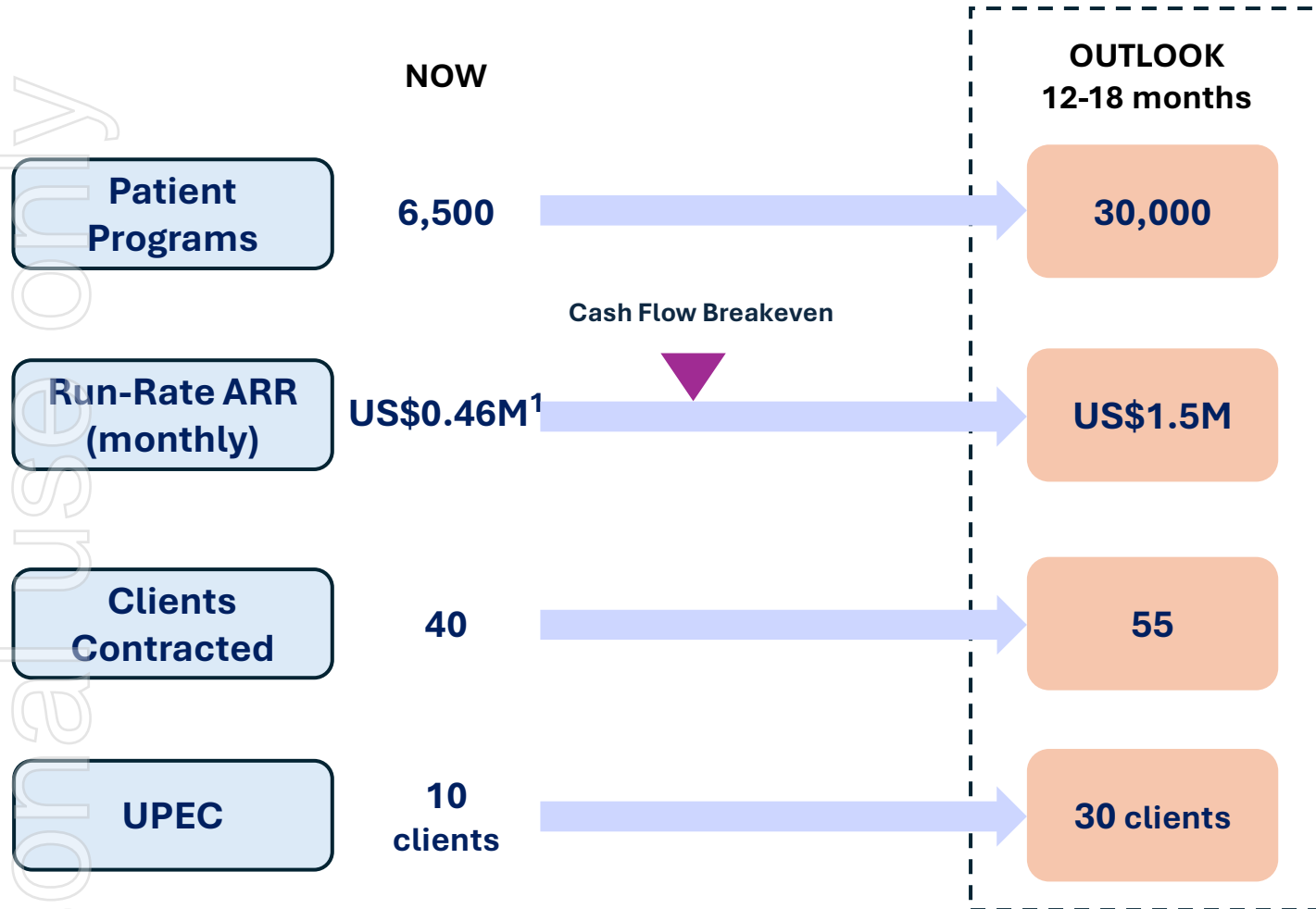
- ✓ **Proprietary and Exclusive Wheezo device** is the only FDA approved respiratory RPM device, with no direct competition
- ✓ **Development of Clinic in Cloud (CiC)** enables full Evaluation & Management (E&M) responsibility, simplifying reimbursement directly with CMS and reducing administrative burdens
- ✓ **Comprehensive Turnkey Solution** enabling seamless integration of a fully integrated model combining clinical staff, devices and an IT platform
- ✓ **Implementation of aligned incentives** with flexible reimbursement models, ensuring alignment with both client outcomes and financial success

#### References

1. Includes 4,063 existing patients, with the remaining patients acquired through the acquisition of ORB
2. Includes revenues acquired and extracted (synergies) from ORB acquisition
3. Respiri forecasts, based on historical conversion rates, that it will convert approximately 30% of its TAM of patients into revenue-generating programs, which will be serviced via its RPM systems

# Growth Capital Required to Accelerate Commercialisation

## Management Outlook for Respiri



## Respiri requires capital to execute on its next stage of growth

Capital will be allocated to the following key areas to execute on the market opportunity and management's outlook:

1. **Scaling sales and account management teams** to accelerate identified opportunities
2. **Preparing for transformative upcoming client contracts** to ensure successful rollout and integration
3. **Enhancing technological capabilities**, including API development, to further optimise Respiri's services and enhance client outcomes
4. **Investing in market and customer engagement** to promote awareness about the positive outcomes of Respiri's remote patient services
5. **Orb UPEC product line development.** Cross selling to existing clients for Annual Wellness Visits a large need

### References

1. Average Orb CY2024 monthly revenue and Respiri average December quarter monthly revenue

# EQUITY RAISING

RESPIRI



# Equity Raising Summary

## Offer Size and Structure

- Respiri (**RSH**) received firm commitments for a capital raising of A\$4.0 million via a placement (**Placement**) of fully paid ordinary shares (**New Shares**)
- The Placement with investors will settle in two tranches, the first tranche of A\$2.70 million ("**First Tranche**") will settle on or about 7 March 2025 and the second tranche of A\$1.23 million will settle on or about 4 June 2025 ("**Second Tranche**")
- The \$70,000 of New Shares for the chairman are subject to shareholder approval
- Proposed issuance of approximately 100 million New Shares under the Placement, representing 6.7% of RSH's ordinary shares on issue

## Offer Price

- New Shares issued under the Placement will be issued at a price of A\$0.04 per share, representing a:
  - 16.7% discount to the last closing price of A\$0.048 as at Friday, 28 February 2025;
  - 18.6% discount to the 5-day volume weighted average price (**VWAP**) of A\$0.049
  - 26.5% discount to the 15-day VWAP of A\$0.054
  - 32.8% discount to the 30-day VWAP of A\$0.060

## Ranking

- New Shares issued under the Placement will rank equally in all respects with existing ordinary shares on issue from the date of allotment

## Risks

- Please refer to Appendix A for Key Risks

## Lead Manager

- MST Financial is the sole lead manager to the Placement

# Sources & Uses of Funds (Gross)

Sources of Funds	A\$M
Equity Raising – Institutional Placement	\$4.0M
<b>Total Sources of Funds</b>	<b>\$4.0M</b>
Uses of Funds	A\$M
Scaling clinical, sales and account management teams	\$2.0M
Preparing for ACO/IPA contracts	\$0.5M
Technological investment	\$0.3M
Marketing and customer engagement	\$0.5M
Working capital buffer and other	\$0.7M
<b>Total Uses of Funds</b>	<b>\$4.0M</b>

# Indicative Investor Timetable

Indicative Investor Timetable	Date
Announce completion of Placement, trading halt lifted and recommencement of trading	Monday, 3 March 2025
Settlement of New Shares under the First Tranche	Friday, 7 March 2025
Allotment and expected normal trading of New Shares issued under the First Tranche	Monday, 10 March 2025
Settlement of New Shares under the Second Tranche	Wednesday, 4 June 2025
Allotment and expected normal trading of New Shares issued under the Second Tranche	Thursday, 5 June 2025

# APPENDIX A: KEY RISKS

RESPIRI



# Key Risks

This report identifies some of the major risks associated with an investment in the Company. The risk factors below ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company.

## 1. Regulatory & Policy Risks

- **CMS Reimbursement Uncertainty:** Medicare regularly updates reimbursement policies for **Remote Patient Monitoring (RPM), Chronic Care Management (CCM), and Evaluation & Management (E&M)** services. Future changes could impact revenue potential.
- **Evolving Value-Based Care Models:** CMS and private payers continue refining **risk-sharing benchmarks**, requiring Respiri to adapt its business model and performance metrics to align with shifting expectations.
- **State-Level Variability:** CMS and commercial payers have **inconsistent reimbursement structures**, creating administrative complexity when expanding across different regions.

## 2. Operational & Execution Risks

- **Scalability & Integration Challenges:** The successful integration of **Orb Health** must ensure **operational efficiency, seamless platform integration, and minimal service disruptions** while scaling patient support and ensuring cost savings are realised and cross-selling opportunities realised.
- **Healthcare Provider Adoption & Retention:** Sustained engagement from **physicians, Healthcare Organisations, ACOs, and IPAs** is essential. Resistance to new workflows, administrative burdens, or competition from alternative solutions could slow adoption and impact selling cycle timelines.
- **Staffing & Capacity:** Respiri's growth depends on expanding its **clinical and account management teams** to ensure high-touch engagement with patients and providers while maintaining service quality.

## 3. Key Personnel & Workforce Risk

- **Dependence on Key Personnel:** The company's success relies on the continued performance of senior executives, management, and skilled clinical staff.
- **Talent Acquisition & Retention Challenges:** Difficulty in attracting and retaining industry-experienced professionals could impact growth and operational execution.
- **Potential Business Disruption:** The loss of key personnel without timely replacement may materially affect business operations, strategy execution, and financial performance.
- **Competitive Labor Market:** Increased demand for skilled healthcare and technology professionals may make recruitment and retention more challenging, impacting profitability and competitiveness.
- **Scalability & Workforce Expansion:** As the company grows, ensuring sufficient staffing levels and maintaining service quality will be critical to sustaining performance and client satisfaction.

# Key Risks

## 4. Financial & Business Model Risks

- **Risk-Share Performance Variability:** Revenue from **ACO and IPA value-based/risk-share contracts** depend on meeting cost-reduction and patient outcome targets. Variations in **hospitalization rates, patient adherence, and chronic disease management costs** could impact profitability.
- **Fee-for-Service (FFS) Dependence:** While risk-sharing agreements grow, Respiri still **relies on FFS revenues**. Shifts in payer policies, patient enrolment rates, or referral volumes could create financial unpredictability.
- **Cash Flow & Payment Delays:** Claims processing times from **Medicare, Medicaid, and commercial insurers** can delay reimbursement payment, affecting working capital and cash flow stability.

## 5. Competitive & Market Risks

- **Market Penetration & Differentiation:** Despite offering a **unique proprietary Wheezo device and a full-service model**, competition from **established RPM, CCM, and telehealth providers** could challenge market expansion.
- **ACO & Provider Consolidation:** Increased **mergers and acquisitions in healthcare** may shift decision-making power toward large health systems and insurers, potentially altering contract dynamics.

## 6. Technology, Data & Patient Engagement Risks

- **Platform Reliability & Cybersecurity:** Ensuring **HIPAA-compliant data security and seamless technology performance** is critical. **Cyber threats, IT failures, or compliance violations** could disrupt operations and harm credibility.
- **Interoperability & Data Integration:** **Providers rely on diverse EHR systems**, requiring Respiri to maintain **seamless integration capabilities** to support efficient data sharing and minimize workflow disruptions.
- **Patient Engagement & Adherence:** **Respiri's clinical staff play a critical role** in driving **patient adherence to remote monitoring and chronic care programs**. Poor engagement could impact **clinical outcomes, reimbursement eligibility, and risk-share performance**.

# Key Risks

## 6.a Artificial Intelligence & Technology Risk

- **AI Reliability & Accuracy:** The use of AI and voice recognition in patient onboarding and clinical engagement may occasionally produce inaccurate or unreliable results, potentially leading to customer dissatisfaction.
- **Customer Retention & Reputation Impact:** Errors in AI-driven processes could result in the loss of existing customers or deter future customers, impacting revenue and growth.
- **Evolving Competitive Landscape:** As AI technology advances, competitors may develop similar or superior solutions, potentially reducing Respire's market share.
- **Barriers to Entry & Differentiation:** While Respire has a unique market position, increased competition in AI-driven healthcare solutions could challenge long-term differentiation and customer acquisition.
- **Regulatory & Ethical Considerations:** The integration of AI in healthcare must comply with evolving regulations, and any failure to meet industry standards could pose operational and compliance risks.

## 7. Macroeconomic & External Risks

- **Healthcare Spending Trends:** Changes in **government funding, payer priorities, or economic downturns** could impact reimbursement rates and program funding for chronic disease management.
- **Inflation & Cost Pressures:** Rising costs in **labor, technology, and medical device production** could impact profit margins if not carefully managed.

## 8. Going Concern Risk

- **Funding Dependency:** Existing cash reserves are only sufficient for a limited period, making ongoing operations dependent on securing additional funding.
- **Placement Uncertainty:** While the planned capital raise is expected to support operations until cash flow breakeven, this is not guaranteed.
- **Revenue & Contract Risks:** Projections assume continued revenue from existing contracts, but contract terminations or delays could impact cash inflows.
- **Historical Losses & Cash Flow Challenges:** Respire has a history of losses and negative cash flows, with continued financial sustainability reliant on successful execution of growth plans.
- **Risk of Insolvency:** If expected cash inflows do not materialize or further funding is not secured, Respire's ability to continue as a going concern could be at risk.

# Key Risks

## 9. Future Funding Risk:

- **Funding Requirements:** Respi's future capital needs depend on various factors, including marketing expenses, macroeconomic conditions, and the timing of its project pipeline.
- **Additional Funding Needs:** The Company may require further equity or debt funding to meet medium- to long-term objectives, with no assurance of favorable terms.
- **Potential Impact of Funding Shortfalls:** If funding cannot be secured, it may harm the Company's financial position, hinder growth, and reduce its ability to compete, potentially leading to curtailed operations or asset disposals.
- **Equity Dilution & Debt Refinancing Risks:** Future equity raises may cause shareholder dilution, and reliance on debt funding poses refinancing risks if market conditions worsen or favorable refinancing terms cannot be secured.

## 10. Medical Device Development Risk:

- **Scientific Uncertainty & Long Timelines:** R&D in medical devices involves inherent scientific uncertainty, with no guarantee that specific milestones will be achieved within expected timelines.
- **Regulatory Risks:** The development and commercialization of medical devices carry regulatory risks, with no certainty of success in submissions to regulatory authorities.

## 11. Speculative Investment Risk:

- **Exhaustive Risk Factors:** The list of risks outlined above is not exhaustive, and additional factors, not specifically mentioned, may materially impact the Company's financial performance and the value of its securities.
- **No Guarantees:** The securities to be issued offer no guarantee regarding dividends, capital returns, or market value.
- **Speculative Nature:** Investing in the Company is speculative, and potential investors should seek advice from professional advisers before deciding to invest in the Company's securities.

# Key Risks

## 11. General Risks:

- **Economic Factors: Inflation, currency fluctuations, interest rates, and supply-demand** dynamics can impact operating costs and stock prices, affecting future revenues and the value of the Company's securities, which are beyond its control.
- **Changes in Legislation & Regulation:** Modifications in government policies, including taxation, could affect future earnings and the attractiveness of investing in the Company.
- **Global Credit & Investment Market Volatility:** Uncertainty and volatility in global credit, commodity, and investment markets may affect the Company's securities' price, regardless of operational performance, and hinder its ability to raise additional funds if needed.
- **Exchange Rate Risk:** A decline in the Australian dollar relative to currencies of imported products/services may impact the Company's performance and financial position, as statements are prepared in Australian dollars.
- **Unforeseen Risks: Unexpected risks, not currently identified by the Directors,** may arise and impact the Company's operations, securities valuation, and performance.
- **Combination of Risks:** A combination of risks outlined in this Report could collectively affect the Company's performance, financial stability, and prospects.
- **Unforeseen Expenditure:** Additional unanticipated costs not considered in this Report may arise, potentially affecting the Company's financial projections.
- **Market Conditions:** Equity market conditions, influenced by various factors such as economic outlook, legislation, investor sentiment, and geopolitical events, can impact the Company's securities value, regardless of its operating performance. The market price of securities may fluctuate unpredictably, especially in biotechnology stocks, and no guarantee is made regarding future performance or returns.