

Respiri

Funding update

New funding to support commercial traction

Respiri has announced a A\$1.5m capital raise through a security purchase plan (SPP) to existing shareholders (up to 30m shares to be issued at A\$0.05/share). We note that the SPP is fully underwritten with the new shares expected to enter circulation on 9 February 2023. We expect this cash injection to further support Respiri's commercialization plans in the US, which have resulted in notable client wins over the past quarter. Six new accounts were signed in H2 CY22 and, most recently, the Arkansas Heart Hospital (AHH; [deal signed in late November](#)) commenced patient enrolment in the wheezo programme for cardiovascular patients, suffering from chronic obstructive pulmonary disease (COPD). We expect initial patient feedback (first data readout anticipated in early 2023) and remote patient monitoring (RPM) reimbursement to underpin Respiri's longer-term growth potential.

| Year end | Revenue (A\$m) | EBITDA* (A\$m) | PBT* (A\$m) | EPS* (c) | P/Revenue (x) | P/E (x) |
|----------|----------------|----------------|-------------|----------|---------------|---------|
| 06/21 | 1.4 | (8.4) | (8.5) | (1.22) | 26.4 | N/A |
| 06/22 | 0.8 | (6.2) | (6.3) | (0.87) | 46.2 | N/A |
| 06/23e | 5.0 | (2.3) | (2.3) | (0.29) | 7.4 | N/A |
| 06/24e | 8.1 | 0.4 | 0.4 | 0.03 | 4.6 | 153.3 |

Note: *EBITDA, PBT and EPS are normalised, excluding amortisation of acquired intangibles, exceptional items and share-based payments. FY23 and FY24 EPS adjusted for new shares.

Eligible shareholders, irrespective of the size of current shareholding, will be able to subscribe to the equity issue by investing a minimum of A\$1,000 (20k new shares) and a maximum of A\$30,000 (600k new shares) in the issue. The offer, which is fully underwritten, will be open to qualifying shareholders from 30 December 2022 to 27 January 2023. The issue price has been fixed at A\$0.05/share but is conditional on Respiri's share price reaching A\$0.05 in the 30 days before the issue date of 7 February 2023. In the event the A\$0.05 cut-off is not met (Respiri recorded a maximum trading price of A\$0.047 in December 2022), the issue price will be the maximum share price in the last 30 days prior to the issue. The additional capital raised will be utilized to fund Respiri's commercialization plans in the US and meet working capital requirements.

H2 CY22 was a rewarding period for Respiri in terms of its commercialization efforts for wheezo, with the company signing six commercial agreements for the wheezo RPM programme across six different US states. Patient onboarding has commenced across multiple sites, the latest being AHH, one of the largest privately held cardiovascular disease (CVD) focused hospitals in the US. The AHH contract includes the full suite of RPM services, including Access Telehealth's platform Remotli, remote monitoring and patient engagement. The programme has been selected by AHH as an add-on to the current standard of care for CVD patients who also suffer from COPD. The wheezo RPM programme aims to be a lifelong practice for patients, making it a suitable contributor to AHH's healthcare setup. The programme is eligible for reimbursement under the Centers for Medicare and Medicaid Services' current procedural terminology reimbursement codes for RPM. Respiri will generate revenue from device sales as well as monthly RPM revenues per patient for reimbursement services.

Healthcare equipment

3 January 2023

Price **A\$0.046**

Market cap **A\$37m**

US\$0.68/A\$

Estimated net cash (A\$m) at September 2022 including A\$0.94m raised post period 1.6

Shares in issue 803.7m

Free float 79.6%

Code RSH/RSUF

Primary exchange ASX

Secondary exchange OTCQB

Share price performance



Business description

Respiri is an Australia-based medical device and SaaS company focused on respiratory health management through its integrated wheezo platform. The device is a breath sensor that works with the Respiri mobile applications to record data such as wheeze rates, breath recordings and other environmental factors and medication usage, which can be accessed by physicians in real time. Wheezo received FDA clearance in March 2021 and was launched in the US in December 2021.

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