

ResApp Quarterly Report – Q2 2015

Successful Capital Raise and Commencement of Trading Key Clinical Study Progressing Well

Highlights

- Successful, oversubscribed \$4 million capital raise
- Funds raised to accelerate the commercialisation of its mobile applications for the diagnosis and management of respiratory diseases
- ResApp's technology is based on a machine-learning algorithm that uses sound alone to diagnose and measure the severity of a respiratory condition
- Key clinical study continued at Joondalup Health Campus to further optimise the ResApp technology
- Enrolment of targeted 150 patients for the clinical study completed after end of quarter and initial results expected in Q3 2015
- Strong pipeline of activity expected in coming months, with advanced discussions underway to initiate further studies
- Company enters Q3 2015 well funded and strategically positioned to become a leading provider of telehealth services in diagnosing respiratory conditions

ResApp Health Limited ('**ResApp**' or '**the Company**'), the developer of smart phone medical applications for the diagnosis and management of respiratory disease formerly named Narhex Life Sciences Limited, is pleased to provide its quarterly report for the period ended 30 June 2015.

Corporate

The Company completed the acquisition of ResApp Diagnostics Pty Ltd and was renamed ResApp Health Limited. As part of the acquisition, the ResApp vendors, which include The University of Queensland's commercialisation company, UniQuest, received 93,750,000 shares as well as 93,750,000 performance shares. These performance shares convert to shares on ResApp achieving \$20m in gross revenue or an acquisition event.

During the quarter, the Company raised \$4 million, issuing 200 million shares at \$0.02 per share. The capital raise received strong interest and was oversubscribed.

Following the period ended 30 June 2015, ResApp Health's shares commenced trading on the ASX under the ticker ASX:RAP. The Company also announced the appointment of Dr Roger Aston as Non-Executive Chairman. Dr Aston replaced Mr Adam Sierakowski who oversaw the transition of Narhex Life Sciences to ResApp Health and will remain on the Board as a Non-Executive Director. Dr Aston is both a scientist and a seasoned biotechnology entrepreneur, with a successful track record in both fields.

Cash Position

With a cash balance as at 30 June 2015 of \$4.098 million, the Company is fully funded to progress the commercialisation of its products.

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Operational

During Q1, ResApp commenced a clinical study of its smartphone application for the diagnosis and management of respiratory disease at Joondalup Health Campus (JHC), the largest hospital in Perth's Northern suburbs. Enrolment in this study continued in Q2. The study will gather data from patients with a variety of respiratory conditions, with the aim of further optimising the ResApp technology for pneumonia and asthma as well as broadening the validation to other common respiratory conditions such as bronchitis, bronchiolitis and upper respiratory tract conditions.

Following the period ended 30 June 2015, the Company announced that enrolment at the Joondalup Health Campus had exceeded 150 patients. The Company plans to continue enrolment at Joondalup as well as increase the enrolment rate by adding a second clinical site in Q3. As the Company's core technology uses a machine-learning algorithm, additional data from increased enrolment has the potential to further increase the accuracy of the technology as well as broaden the range of respiratory diseases targeted. The Company is now working with The University of Queensland to analyse the data and expects to receive initial preliminary results in Q3 2015.

Outlook

In the coming quarter the Company is focused on accelerating further clinical studies in Australia and internationally and will be engaging with regulatory consultants to refine the regulatory strategy for submission of the ResApp technology to the US Food and Drug Administration (FDA) and the Australian Therapeutic Goods Administration (TGA). The Company is currently in discussions with telehealth providers, as well as international aid agencies about partnership opportunities.

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About ResApp Health Limited

Founded in 2014, ResApp Health Limited, through an exclusive license it has been granted by the University of Queensland (UQ) is developing smartphone medical application for the diagnosis and management of respiratory disease. The technology is based on a machine-learning algorithm that uses sound alone without the need for additional hardware to diagnose and measure the severity of a respiratory condition. The algorithm has been successfully tested for pneumonia and asthma diagnosis in clinical proof of concept study by UQ through funding from the Bill and Melinda Gates Foundation.

Appendix 4C

Quarterly report for entities admitted on the basis of commitments

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10

Name of entity

ResApp Health Limited (formerly Narhex Life Sciences Limited)

ABN

51 094 468 318

Quarter ended ("current quarter")

30 June 2015

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (12 months) \$A'000
1.1 Receipts from customers	-	-
1.2 Payments for (a) staff costs	(41)	(101)
(b) advertising and marketing	-	-
(c) research and development	-	-
(d) leased assets	-	-
(e) other working capital	(61)	(293)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	1	3
1.5 Interest and other costs of finance paid	(1)	(1)
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	-	-
Net operating cash flows	(102)	(392)

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Appendix 4C
Quarterly report for entities
admitted on the basis of commitments

	Current quarter \$A'000	Year to date (12 months) \$A'000
1.8 Net operating cash flows (carried forward)	(102)	(392)
1.9 Cash flows related to investing activities		
Payment for acquisition of:		
(a) businesses (item 5)	-	-
(b) equity investments	-	-
(c) intellectual property	-	-
(d) physical non-current assets	-	-
(e) other non-current assets	-	-
1.10 Proceeds from disposal of:		
(a) businesses (item 5)	-	-
(b) equity investments	-	-
(c) intellectual property	-	-
(d) physical non-current assets	-	-
(e) other non-current assets	-	-
1.11 Loans to other entities	-	(210)
1.12 Loans repaid by other entities	-	-
1.13 Other (provide details if material)	-	-
Net investing cash flows	-	(210)
1.14 Total operating and investing cash flows	(102)	(602)
Cash flows related to financing activities		
1.15 Proceeds from issues of shares, options, etc.	-	850
1.16 Proceeds from sale of forfeited shares	-	-
1.17 Proceeds from borrowings	-	-
1.18 Repayment of borrowings	-	-
1.19 Dividends paid	-	-
1.20 Other - capital raising costs	(186)	(233)
Other – monies raised awaiting share issue	4,045	4,045
Net financing cash flows	3,859	4,662
Net increase (decrease) in cash held	3,757	4,060
1.21 Cash at beginning of quarter/year to date	341	38
1.22 Exchange rate adjustments to item 1.20	-	-
1.23 Cash at end of quarter	4,098	4,098

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Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.24	Aggregate amount of payments to the parties included in item 1.2	230
1.25	Aggregate amount of loans to the parties included in item 1.11	-

1.26 Explanation necessary for an understanding of the transactions

1. Director fees;
2. Accounting, company secretarial and office services;
3. Corporate advisory and capital raising fees;
4. Legal fees; and
5. Reimbursements.

Includes amounts paid to entities associated with the Directors'.

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

2.2 Details of outlays made by other entities to establish or increase their share in businesses in which the reporting entity has an interest

Financing facilities available

Add notes as necessary for an understanding of the position.

		Amount available \$A'000	Amount used \$A'000
3.1	Loan facilities	-	-
3.2	Credit standby arrangements	-	-

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Appendix 4C
Quarterly report for entities
admitted on the basis of commitments

Reconciliation of cash

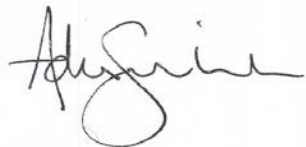
Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
4.1 Cash on hand and at bank	4,098	341
4.2 Deposits at call	-	-
4.3 Bank overdraft	-	-
4.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.23)	4,098	341

Acquisitions and disposals of business entities

	Acquisitions (Item 1.9(a))	Disposals (Item 1.10(a))
5.1 Name of entity	-	-
5.2 Place of incorporation or registration	-	-
5.3 Consideration for acquisition or disposal	-	-
5.4 Total net assets	-	-
5.5 Nature of business	-	-

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act (except to the extent that information is not required because of note 2) or other standards acceptable to ASX.
- 2 This statement does give a true and fair view of the matters disclosed.



Sign here:
 (Director)

Date: 31 July 2015

Print name: Adam Sierakowski

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Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
2. The definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report except for any additional disclosure requirements requested by AASB 107 that are not already itemised in this report.
3. **Accounting Standards.** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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