

Reporting Period

The reporting period for ResApp Health Limited is the year ended 30 June 2019 with the previous corresponding year to 30 June 2018.

Results for Announcement to the Market

	Up / Down	Change		2019 \$	2018 \$
Revenues from ordinary activities	Up	8%	to	94,117	87,007
Loss from ordinary activities after tax attributable to members	Down	17%	to	(5,439,459)	(6,533,435)
Net loss for the period attributable to members	Down	17%	to	(5,439,459)	(6,533,435)

Dividend Information	Amount per share	Franked amount per share
Dividend – current reporting period	Nil	Nil
Dividend – previous reporting period	Nil	Nil

	2019 Cents	2018 Cents
Net tangible asset backing per ordinary share	0.84	0.53

Commentary on the Results for the Period

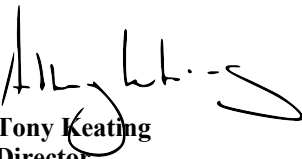
Refer to the 'Review of Operations' section in the Directors' report attached for further explanation of the results.

Audit

The financial statements have been audited and an unqualified opinion has been issued.

Attachment

The Annual Report of ResApp Health Limited for the year ended 30 June 2019 is attached.


Tony Keating
 Director

Dated at Brisbane this 28th day of August 2019



Res  **pp**
H E A L T H

ANNUAL REPORT

FOR THE YEAR ENDED 30 JUNE 2019

ResApp Health Limited

ABN 51 094 468 318

Contents to the Consolidated Financial Report

Corporate Information	3
Directors' Report	4
Auditor's Independence Declaration	15
Consolidated Statement of Profit and Loss and Other Comprehensive Income	16
Consolidated Statement of Financial Position	17
Consolidated Statement of Changes in Equity.....	18
Consolidated Statement of Cash Flows	19
Notes to the Consolidated Financial Statements.....	20
Directors' Declaration.....	44
Independent Auditor's Report.....	45
ASX Additional Information	49

Corporate Information

This annual report is for ResApp Health Limited and its controlled entity (“the Group”). Unless otherwise stated, all amounts are presented in Australian Dollars.

A description of the Group’s operations and of its principal activities is included in the review of operations and activities in the directors’ report on pages 7-9. The directors’ report is not part of the financial statements.

Directors

Dr Roger Aston (*appointed 2 July 2015*)

Dr Tony Keating (*appointed 2 July 2015*)

Mr Chris Ntoumenopoulos (*appointed 21 January 2015*)

Mr Nathan Buzza (*appointed 28 December 2017*)

Company Secretary

Ms Nicki Farley

Principal Office

Level 8, 127 Creek St
Brisbane QLD 4000

Registered Office

Level 24
44 St Georges Tce
Perth WA 6000

Share Registry & Register

Link Market Services Ltd
Level 12, 250 St Georges Tce
Perth WA 6000

Bankers

National Australia Bank
Level 17, 259 Queen Street
Brisbane QLD 4000

Contact Information

Ph: 08 6211 5099
Fax: 08 9218 8875

Auditors

Grant Thornton Audit Pty Ltd
Level 18, 145 Ann Street
Brisbane QLD 4000

Solicitors

Price Sierakowski Corporate
Level 24, 44 St Georges Tce
Perth WA 6000

Stock Exchange Listing

ResApp Health Limited
ASX Code: RAP

Web Site

www.resapphealth.com.au

Directors' Report

The Directors of ResApp Health Limited (“the Company”) and its controlled entity (“the Group”) submit herewith the annual financial statements of the Group for the financial year ended 30 June 2019. These financial statements cover the period from 1 July 2018 to 30 June 2019. In order to comply with the provision of the *Corporations Act 2001*, the Directors’ report is as follows:

The names and particulars of the Directors of the Company during or since the end of the financial year are:

Dr Roger Aston

Non-Executive Chairman (appointed 2 July 2015)

Dr Aston is a scientist and seasoned biotechnology entrepreneur. He has been closely involved in start-up companies and major pharmaceutical companies. Aspects of his experience include US Food and Drug Administration ('FDA') and European Union ('EU') product registration, clinical trials, global licensing agreements, fundraising through private placements, and a network of contacts within the pharmaceutical, banking and stock broking sectors.

Dr Aston has also held Directorships/Chairmanships with Clinuvel Ltd, HalcyGen Ltd, and Ascent Pharma Ltd, was a member of the AusIndustry Biological Committee advising the Industry Research and Development Board.

More recently, Dr Aston was Executive Chairman of Mayne Pharma Group from 2009 to 2011 and later, CEO of Mayne Pharma Group.

Interest in Shares and Options

Dr Aston holds 8,437,500 ordinary shares and 8,437,500 performance shares indirectly in the Company.

Dr Aston holds 3,600,000 options in the Company.

Directorships held in other listed entities

During the past three years Dr Aston has served as a Director for the following other listed companies:

- (a) Immuron Limited – appointed 25 May 2012;
- (b) Regeneus Limited – appointed 21 September 2012; resigned 29 April 2019;
- (c) PharmAust Limited – appointed 12 August 2013; and
- (d) Oncosil Medical Limited – appointed 28 March 2013.

Dr Tony Keating

Chief Executive Officer and Managing Director (appointed 2 July 2015)

Dr Keating has over ten years’ experience in commercialising technology. Dr Keating created the initial business strategy for ResApp and has led the commercialization of ResApp’s technology to date. Previously, Dr Keating was Director, Commercial Engagement at UniQuest Pty Ltd, one of the global leaders in commercialisation of university technology. While at UniQuest, Dr Keating held roles as interim Chief Executive Officer and Non-Executive Director for a number of privately-held, venture-capital funded start-up companies. Prior to joining UniQuest Dr Keating held business development and engineering management roles at Exa Corporation, a US-based software company that was listed on the NASDAQ and later acquired by Dassault Systèmes.

Dr Keating holds a Bachelor of Engineering, a Master of Engineering Science and a Doctor of Philosophy (Mechanical Engineering) from The University of

Directors' Report

Queensland. Dr Keating also has an Executive Certificate of Management and Leadership from the MIT Sloan School of Management.

Interest in Shares and Options

Dr Keating holds nil shares in the Company.

Dr Keating holds 23,800,000 options in the Company.

Directorships held in other listed entities

During the past three years Dr Keating has not held directorship of any other ASX listed companies.

Mr Chris Ntoumenopoulos

Non-Executive Director (appointed 21 January 2015)

Mr Ntoumenopoulos is the Managing Director of Twenty 1 Corporate. He has worked in financial markets for the past 15 years, focusing on Capital Raisings, Portfolio Management and Corporate Advisory. Mr Ntoumenopoulos has advised and funded numerous ASX companies from early stage venture capital, through to IPO. He is an executive director of various private companies which span across finance, technology and medical sectors.

Mr Ntoumenopoulos has a Bachelor of Commerce degree from the University of WA, majoring in Money and Banking, Investment Finance and Electronic Commerce.

Interest in Shares and Options

Mr Ntoumenopoulos holds 3,109,375 shares indirectly in the Company.

Mr Ntoumenopoulos holds 3,600,000 options in the Company.

Directorships held in other listed entities

During the past three years Mr Ntoumenopoulos has served as a Director for the following other listed companies:

- (a) Race Oncology Ltd – appointed 27 April 2016.

Mr Nathan Buzza

Non-Executive Director (appointed 28 December 2017)

Mr Buzza is recognised as a technology pioneer in the evolution and implementation of specialised medical technology. Having founded Clinical Middleware provider CommtechWireless in 1992, Mr Buzza grew this business into a successful multinational with offices in the USA, Australia, Europe & Asia, deploying the technology across 8,000 locations worldwide.

In 2008, Mr Buzza negotiated the sale of CommtechWireless to Amcom Software and continued as GM for 18 months post acquisition. In 2010, Amcom Software was acquired by USA Mobility (now Spok) for \$163.8m.

Nathan's accomplishments were recognized by Ernst & Young, where Nathan was awarded the "Entrepreneur of the Year" and by Business News as the "First Amongst Equals" as well as the WAITTA Life Time Achievement Award for his contributions to the Australian IT community.

Mr Buzza is presently the Chief Executive of Allure Capital, a boutique Venture Capital firm specialising in investing in medical technologies.

Mr Buzza studied a Bachelor of Commerce at Curtin University, majoring in Information Systems.

Directors' Report

Interest in Shares and Options

Mr Buzza holds no shares in the Company.
Mr Buzza holds no options in the Company.

Directorships held in other listed entities

During the past three years Mr Buzza has served as a Director for the following listed companies:

- (a) Alcidion Group Limited – appointed 22 February 2016, resigned 31 July 2017.

Ms Nicki Farley

Company Secretary (appointed 7 November 2012)

Ms Farley has over 15 years' experience working within the legal and corporate advisory sector providing advice in relation to capital raisings, corporate and securities laws, mergers and acquisitions and general commercial transactions. Ms Farley also holds a number of company secretarial roles for ASX listed companies. Ms Farley holds a Bachelor of Laws and Arts from the University of Western Australia.

Directors' Meetings

The following table sets out the number of directors' meetings held during the financial year and the number of meetings attended by each director (while they were a director).

	Board of Directors	
	Eligible to Attend	Attended
Dr Roger Aston	8	8
Dr Tony Keating	8	8
Mr Chris Ntoumenopoulos	8	8
Mr Nathan Buzza	8	8

PRINCIPAL ACTIVITIES

During the year, the Company continued the development and commercialisation of the ResApp technology for the purpose of providing health care solutions for respiratory disease.

OPERATING RESULTS AND FINANCIAL POSITION

The net loss for the year ended 30 June 2019 was \$5,439,459 compared with a net loss of \$6,533,435 for the previous year. The Company had a net asset position as at 30 June 2019 of \$7,687,417 (2018: \$5,542,516).

During the year ended 30 June 2019, the Company was principally engaged in research and development (R&D) activities. A large portion of the total expenses, 78% for the current year, is made up of costs associated with R&D. The loss for the prior year is attributable to operating activities, research and development costs and administration costs during that year.

Directors' Report

REVIEW OF OPERATIONS

Operational Review

Australian Paediatric Clinical Study

On 3 September 2018, ResApp announced paediatric results from its Australian Breathe Easy study. Breathe Easy was a double-blind, prospective study using machine learning algorithms to diagnose respiratory disease from cough sounds recorded on a smartphone. The study endpoints were the positive percent agreement (PPA) and negative percent agreement (NPA) of ResApp's algorithms compared with a clinical diagnosis for lower respiratory tract disease, asthma/reactive airway disease, croup, bronchiolitis, pneumonia and primary upper respiratory tract disease. The clinical diagnosis was made by a clinical adjudication committee using all available clinical data, including radiology and microbiology. Data from 585 patients were analysed.

For all predefined study endpoints, ResApp's algorithms performed very well, achieving a PPA between 79% and 97% and an NPA between 80% and 91% when compared to a clinical diagnosis.

During June 2019, ResApp announced the publication of results from the Breathe Easy paediatric clinical study in the open access journal *Respiratory Research*. The paper, entitled "A prospective multicentre study testing the diagnostic accuracy of an automated cough sound centred analytic system for the identification of common respiratory disorders in children" reports the detailed peer-reviewed results from the study.

Australian Adult Clinical Study

On 23 April 2019, ResApp announced positive top-line results from its Australian Breathe Easy adult prospective, double-blind clinical study. ResApp's smartphone-based algorithms were found to accurately diagnose all respiratory diseases included in the study: lower respiratory tract disease, pneumonia, asthma exacerbations, chronic obstructive pulmonary disease (COPD) and COPD exacerbations. For identification of lower respiratory tract disease, ResApp's algorithms achieved an 88% PPA and an 89% NPA when compared to clinical diagnosis in patients with acute respiratory symptoms or clinical normalcy. Similar levels of accuracy were demonstrated for pneumonia, the most common illness-related cause of adult hospital admission, with an 86% PPA and an 87% NPA when compared to a clinical diagnosis. The study also showed that ResApp's algorithms accurately identified acute exacerbations in patients with COPD or asthma, and were able to accurately screen for COPD in a broad general population.

US SMARTCOUGH-C-2 Clinical Study

On 30 October 2018, ResApp announced the results from its US SMARTCOUGH-C-2 study. SMARTCOUGH-C-2 was a multisite, prospective, double-blind study that evaluated the efficacy of the ResAppDx smartphone application in the diagnosis of paediatric acute respiratory disease using cough sounds. A total of 1,470 patients were recruited at three hospital sites in the US from which 1,251 patients completed the study and were analysable.

ResAppDx achieved a PPA between 73% and 78% and an NPA between 71% and 86% when compared to a clinical diagnosis for lower respiratory tract disease, asthma/reactive airway disease and primary upper respiratory tract disease. Results for pneumonia and bronchiolitis were less than 70% prompting the Company to pursue further investigation of these indications in the US. A technical issue delayed clinical adjudication for croup with ResApp subsequently announcing in March 2019 that it achieved a PPA of 74% and an NPA of 74% when compared to a clinical diagnosis for croup.

During April 2019, ResApp submitted an application to the US Food and Drug Administration (FDA) for De Novo classification of ResAppDx-US.

Directors' Report

ResAppDx-EU CE Mark Technical File Submission

In December 2018, ResApp submitted its CE Mark Technical File for ResAppDx-EU as a Class IIa medical device. ResAppDx-EU is a mobile software application to be used by clinicians for the diagnosis of lower respiratory tract disease, croup, pneumonia, asthma/reactive airway disease and bronchiolitis in infants and children. CE Marking indicates that ResAppDx-EU complies with all relevant European Medical Device Directives, including safety and performance requirements, and will enable the commercial sale of ResAppDx-EU in the European Economic Area and facilitate commercialisation in other markets such as Australia, Canada and Singapore.

During November 2018, ResApp announced it had achieved ISO 13485:2016 compliance, confirming that ResApp's quality systems meet the ISO requirements for a comprehensive quality management system for the design and manufacture of medical devices, an essential step in obtaining European CE Mark and Australian TGA approval.

Obstructive Sleep Apnoea Study

On 11 October 2018, ResApp announced that its smartphone-based algorithms achieved 84% sensitivity and 83% specificity for identifying patients with an apnoea hypopnea index (AHI) greater than or equal to 5/h (patients with mild, moderate or severe OSA) compared to simultaneous in-laboratory polysomnography in a double-blind, prospective study. The algorithms were similarly able to identify patients with an AHI greater than or equal to 15/h (moderate or severe OSA) and an AHI greater than or equal to 30/h (severe OSA).

During the period, the study investigators presented a poster on earlier proof-of-concept OSA results at Sleep DownUnder 2018, the 30th Annual Scientific Meeting of the Australasian Sleep Association and the Australasian Sleep Technologists Association.

Recruitment in an at-home study, with simultaneous smartphone diagnosis and AASM Type II home sleep testing is nearly complete with results being the next major milestone for this program.

Pilot Project with German Private Hospital Network

During the period, ResApp continued to work with a German private hospital network on a pilot study. The finalisation of a study protocol, including measures of success such as a reduction in time to diagnosis, improved patient flow and reduced diagnostic testing costs, is underway.

DARPA Warfighter Analytics using Smartphones for Health Research Program with Lockheed Martin

On 16 August 2018, ResApp announced that it had partnered with Lockheed Martin in the US Defense Advanced Research Project Agency (DARPA) Warfighter Analytics using Smartphones for Health (WASH) program. The WASH program will build a software suite to predict warfighter readiness and potential chronic and acute illness in a variety of contexts using only a standard cell phone instead of other specialized, expensive medical devices. ResApp received initial funding during the period and continues to work with Lockheed Martin on the project.

Customised Hardware and Wearable Devices

In May 2019, ResApp engaged a UK-based medical device consultancy, Avanti Med, to develop customised hardware and wearable devices capable of running ResApp's market-leading machine learning algorithms. ResApp is focused on delivering mobile software apps in multiple clinical settings including telehealth, emergency, urgent care and primary care, and the addition of these hardware devices to the company's portfolio expands ResApp's reach to address specific in-person clinical environments. The design consultancy is working with leading UK-based medical device manufacturers, OSI Electronics, to design, test and finalise two CE-marked devices: a low-cost ruggedized, handheld device and a small, wearable breathing monitor.

Directors' Report

Patents

During the period, ResApp received a Notice of Acceptance from IP Australia for its Australian patent application 2013239327 and a Notice of Allowance from the Japanese Patent Office for its Japanese patent application 2015-502020. These patents, in addition to the United States patent granted in June 2018, cover the use of a cough sound-based audio processing pipeline for diagnosing respiratory disease and protect a key component of ResApp's smartphone applications for diagnosing acute respiratory disease.

Corporate Review

During September 2018, ResApp raised \$7.5 million via a placement from institutional and sophisticated investors. Under the placement, ResApp issued 34,090,910 new ordinary shares at an issue price of \$0.22 per share. Proceeds from the placement will strengthen the Company's statement of financial position to enable it to effectively pursue multiple projects simultaneously, including investing in sales and marketing capability to commercialise ResAppDx in Europe, Australia and Asia; deploying resources to expand clinical programs by conducting a US-based, double-blind, prospective adult clinical study; and investigating an array of new applications for the Company's core technology. The costs directly attributable to the capital raising amounted to \$494,074.

In June 2019, ResApp received \$1.785 million from its R&D tax incentive claim for the financial year ending 30 June 2018. The Australian Federal Government's R&D Tax Incentive program provides a cash refund on eligible research and development activities performed by Australian companies.

During June 2019, ResApp announced that Dr Tony Keating's contract of employment as Chief Executive Officer and Managing Director had been renewed with Dr Keating's fixed remuneration to remain unchanged. The contract has no fixed term and is to continue until terminated in accordance with its term.

Subsequent Events

On 4 July 2019, the Company announced that 3,125,000 Shares had been issued pursuant to the terms of the device development agreement announced to ASX in May 2019, at a deemed issue price of \$0.16.

On 23 August 2019, the Company announced that its first commercial product, ResAppDx-EU, has received CE Mark certification as a Class IIa medical device. ResAppDx-EU is the world's first smartphone-based diagnostic test for acute paediatric respiratory disease. CE Mark certification indicates that ResAppDx-EU meets the essential requirements of all the applicable European regulations as a medical device and allows for the sale of ResAppDx-EU in the European Economic Area.

No other material events have occurred subsequent to the reporting date.

Future Developments

The Group will continue the development and commercialisation of the ResApp technology for the purpose of providing health care solutions to assist doctors and consumers diagnose respiratory disease.

Environmental Issues

The Group's operations are not subject to significant environmental regulations under the law of the Commonwealth or of a State, or Territory.

Dividends

No amounts have been paid or declared by way of dividend by the Group since the end of the previous financial year and the Directors do not recommend the payment of any dividend.

Directors' Report

Indemnification of Officers and Auditors

The Group has not otherwise, during or since the financial year, except to the extent permitted by law, indemnified or agreed to indemnify an officer or auditor of the Company or of any related body corporate against a liability incurred as such an officer or auditor.

Remuneration Report – Audited

Directors and Key Management Personnel

Dr Roger Aston (*appointed 2 July 2015*)

Dr Tony Keating (*appointed 2 July 2015*)

Mr Chris Ntoumenopoulos (*appointed 21 January 2015*)

Mr Nathan Buzza (*appointed 28 December 2017*)

Mr Brian Leedman (*retired 28 December 2017*)

Remuneration Policy

Non-Executive Directors Remuneration

The board policy is to remunerate non-executive directors at a level which provides the company with the ability to attract and retain directors with the experience and qualifications appropriate to the development strategy of the company's Intellectual Property. The maximum aggregate amount of fees that can be paid to non-executive directors is subject to approval by shareholders at the Annual General Meeting. This was set at \$400,000 per annum by shareholders on 15 November 2018. Directors' fees are reviewed annually. From 1 June 2016, Chairman and non-executive director fees increased to \$90,000 and \$55,000 per annum respectively.

Non-executive directors' fees are not linked to the performance of the company. However, to align directors' interests with shareholder interests, the directors are encouraged to hold shares in the company.

Executive Remuneration

The board policy is to remunerate executive directors at a level that provides the company with the ability to attract and retain executives with the experience and qualifications appropriate to the development strategy of the company's Intellectual Property. During the financial year, the Group did not employ the use of remuneration consultants.

The following table discloses the contractual arrangements with the Group's executive Key Management Personnel.

CEO and Managing Director – Dr Tony Keating

Fixed remuneration	\$280,000 pa (inclusive of super) from 2 July 2017
Term	No fixed term. Contract continues until terminated in accordance with the terms of the Contract
Termination notice by the individual/company	6 months
Other entitlements	Annual leave and long-service leave
	Incentive Options under the Company's ESOP (to be issued subject to Shareholder Approval) exercisable at \$0.21, expiring 5 years from date of issue and vesting on satisfaction of the following specific performance milestones:
	(i) CE Mark approval – 325,000 Options
	(ii) FDA clearance – 325,000 Options
	(iii) Commercial release of hardware product – 325,000 Options

Directors' Report

Relationship Between the Remuneration Policy and Company Performance

Aside from the matters described above, no Director held or holds any contract for performance-based remuneration with the Company.

Remuneration Expense Details

The directors received the following amounts as compensation for their services as directors and executives of the Group during the year:

2019	Short-term employee benefits			Post employment benefits	Share-based payments	Total	% consisting of share-based payments
	Salary and fees	Bonus	Other	Super-annuation and annual leave	Options and rights		
	\$	\$	\$	\$	\$	\$	
Non-Executive Directors:							
Dr Roger Aston ¹	90,000	-	-	-	-	90,000	0%
Mr Chris Ntoumenopoulos ²	55,000	-	-	-	-	55,000	0%
Mr Nathan Buzza ³	55,000	-	-	-	-	55,000	0%
Executive Director:							
Dr Tony Keating ⁴	255,708	-	-	34,331	-	290,039	0%
Total	455,708	-	-	34,331	-	490,039	

¹ Dr Aston's director fees were paid to Newtonmore Biosciences Pty Ltd.

² Mr Ntoumenopoulos's director fees were paid to Twenty1 Corporate Pty Ltd.

³ Mr Buzza's director fees were paid to Allure Capital Pty Ltd.

⁴ Dr Keating's director fees were paid to himself.

2018	Short-term employee benefits			Post employment benefits	Share-based payments	Total	% consisting of share-based payments
	Salary and fees	Bonus	Other	Super-annuation and leave	Options and rights		
	\$	\$	\$	\$	\$	\$	
Non-Executive Directors:							
Dr Roger Aston ¹	90,000	-	-	-	-	90,000	0%
Mr Chris Ntoumenopoulos ²	55,000	-	-	-	-	55,000	0%
Mr Nathan Buzza ³	27,500	-	-	-	-	27,500	0%
Executive Directors:							
Dr Tony Keating ⁴	255,708	-	-	40,288	-	295,996	0%
Mr Brian Leedman ⁵	93,500	-	-	-	-	93,500	0%
Total	521,708	-	-	40,288	-	561,996	

Directors' Report

¹ Dr Aston's director fees were paid to Newtonmore Biosciences Pty Ltd.

² Mr Ntoumenopoulos's director fees were paid to Twenty1 Corporate Pty Ltd.

³ Mr Buzza's director fees were paid to Allure Capital Pty Ltd.

⁴ Dr Keating's director fees were paid to himself.

⁵ Mr Leedman's director/consulting fees were paid to himself and include only those amounts paid up to resignation as a Director.

Securities Received That are Not Performance-Related

No members of key management personnel are entitled to receive securities that are not performance-based as part of their remuneration package.

Options and Rights Granted as Remuneration

On 19 June 2019, the Company announced 975,000 Employee Incentive Options under the Company's employee share and option plan, to be issued to Dr. Keating, subject to Shareholder Approval. The options are exercisable at \$0.21 and expire five years from the date of issue. Upon Shareholder Approval, the options will vest on the satisfaction of the following specific performance milestones:

- (i) CE Mark approval – 325,000 Options
- (ii) FDA clearance – 325,000 Options
- (iii) Commercial release of hardware product – 325,000 Options

Dr Keating is required to be employed by the Company in order to exercise the Incentive Options.

Except above, no other options or rights were granted as remuneration to members of key management personnel as part of their remuneration package during the year ended 30 June 2019.

Key Management Personnel Shareholdings

The number of ordinary shares in ResApp Health Limited held by each key management personnel of the Group during the financial year is as follows:

	Balance at 1 July 2018	Granted as remuneration during the year	Issued on exercise of options during the year	Net other changes during the year	Balance at 30 June 2019
Directors					
Dr Roger Aston	8,437,500 ¹	-	-	-	8,437,500 ¹
Dr Tony Keating	-	-	-	-	-
Mr Chris Ntoumenopoulos	3,109,375	-	-	-	3,109,375
Mr Nathan Buzza	-	-	-	-	-
Total	11,546,875	-	-	-	11,546,875

¹ Dr Aston also holds 8,437,500 performance shares.

Each of the performance shares will convert to one (1) fully paid ordinary share upon satisfaction of the relevant Milestone. Accordingly, the performance shares will convert into fully paid ordinary shares in the capital of the Company within 7 days of the release of the audited accounts in respect of the period in which ResApp and any subsidiaries of ResApp (or if the Company or any Related Entity of the Company is licensed to use the Licensed IP, the Company and that Related Entity) achieving aggregated gross revenue of \$20,000,000 in the five years commencing on the day the Company is readmitted to quotation on ASX, being 14 July 2015.

Directors' Report

No performance shares were converted or cancelled during the period. No performance milestones were met during the period.

The number of options held by the key management personnel of the Group as at 30 June 2019 are as follows:

	Balance at 1 July 2018	Granted	Forfeited/ Lapsed	Balance at 30 June 2019
<i>Directors</i>				
Dr Roger Aston	3,600,000	-	-	3,600,000
Dr Tony Keating	23,800,000	-	-	23,800,000
Mr Chris Ntoumenopoulos	3,600,000	-	-	3,600,000
Mr Nathan Buzza	-	-	-	-
Total	31,000,000	-	-	31,000,000

Other Equity-Related Key Management Personnel Transactions

There have been no other transactions involving equity instruments apart from those describe in the table above relating to options, rights and shareholdings.

Other Transactions with Key Management Personnel and/or Their Related Parties

There were no other transactions conducted between the Group and Key Management Personnel or their related parties, apart from those disclosed above and those disclosed in Note 21, that were conducted other than in accordance with normal employee, customer or supplier relationships on terms no more favourable than those reasonably expected under arm's length dealings with unrelated persons.

End of Audited Remuneration Report

Voting and Comments Made at the Company's 2018 Annual General Meeting

The Company received 94.89% of votes, of those shareholders who exercised their right to vote, in favour of the remuneration report for the 2018 financial year. The Company did not receive any specific feedback at the AGM or throughout the year on its remuneration practices.

Proceedings on Behalf of the Company

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings.

The Company was not a party to any such proceedings during the year.

Corporate Governance

In recognising the need for the highest standards of corporate behaviour and accountability, the Directors support and have adhered to principles of sound corporate governance. The Company continued to follow best practice recommendations as set out by 3rd edition of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations. Where the Company has not followed best practice for any recommendation, explanation is given in the Corporate Governance Statement which is available on the Company's website at www.resapphealth.com.au/investor-relations/corporate-governance/.

Directors' Report

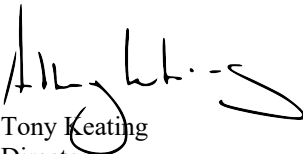
Non-Audit Services

During the year \$15,700 (excludes GST) was paid to Grant Thornton for the provision of non-audit services (2018: \$24,000).

Auditor's Independence Declaration

The auditor's independence declaration is included on page 15 of the annual report.

Signed in accordance with a resolution of the directors



Tony Keating
Director


Brisbane
28th day of August 2019

Auditor's Independence Declaration

To the Directors of ResApp Health Limited

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the audit of ResApp Health Limited for the year ended 30 June 2019, I declare that, to the best of my knowledge and belief, there have been:

- a no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- b no contraventions of any applicable code of professional conduct in relation to the audit.



Grant Thornton Audit Pty Ltd
Chartered Accountants



Cameron Smith
Partner – Audit & Assurance

Brisbane, 28 August 2019

Grant Thornton Audit Pty Ltd ACN 130 913 594
a subsidiary or related entity of Grant Thornton Australia Ltd ABN 41 127 556 389

www.grantthornton.com.au

'Grant Thornton' refers to the brand under which the Grant Thornton member firms provide assurance, tax and advisory services to their clients and/or refers to one or more member firms, as the context requires. Grant Thornton Australia Ltd is a member firm of Grant Thornton International Ltd (GTIL). GTIL and the member firms are not a worldwide partnership. GTIL and each member firm is a separate legal entity. Services are delivered by the member firms. GTIL does not provide services to clients. GTIL and its member firms are not agents of, and do not obligate one another and are not liable for one another's acts or omissions. In the Australian context only, the use of the term 'Grant Thornton' may refer to Grant Thornton Australia Limited ABN 41 127 556 389 and its Australian subsidiaries and related entities. GTIL is not an Australian related entity to Grant Thornton Australia Limited.

Liability limited by a scheme approved under Professional Standards Legislation.

Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the Financial Year Ended 30 June 2019

		Consolidated	
		2019	2018
			(Restated; See note 27)
	Note	\$	\$
Interest income		94,117	87,007
Other income	4	2,732,370	998,579
General and administrative costs	5	(1,785,083)	(1,798,733)
Research and development costs	6	(6,480,863)	(5,820,288)
Loss before income tax		(5,439,459)	(6,533,435)
Income tax benefit	7	-	-
Loss for the year		(5,439,459)	(6,533,435)
Other comprehensive income for the year		-	-
Total comprehensive income for the year		(5,439,459)	(6,533,435)
Loss per share (basic and diluted) (cents)	18	(0.79)	(0.99)

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

Consolidated Statement of Financial Position
As at 30 June 2019

		Consolidated	
		2019	2018
	Note	\$	\$
Current assets			
Cash and cash equivalents	8	5,516,386	3,397,899
Other receivables	9	1,904,675	980,458
Prepayments		69,245	50,802
Total current assets		7,490,306	4,429,159
Non-current assets			
Fixed assets (net)	12	30,845	-
Intangibles (net)	13	1,888,802	2,023,716
Total non-current assets		1,919,647	2,023,716
Total assets		9,409,953	6,452,875
Current liabilities			
Trade and other payables	14	1,473,929	775,311
Employee benefits provision - current	15	208,868	135,048
Total current liabilities		1,682,797	910,359
Noncurrent liability			
Employee benefits provision - noncurrent	15	39,739	-
Total liabilities		1,722,536	910,359
Net assets		7,687,417	5,542,516
Equity			
Issued capital	16	28,780,784	21,774,858
Reserves	17	6,778,204	7,060,978
Accumulated losses		(27,871,571)	(23,293,320)
Total equity		7,687,417	5,542,516

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity
 For the Year Ended 30 June 2019

	Fully paid ordinary shares \$	Equity- settled benefits reserve \$	Accumulated losses \$	Total \$
Balance at 1 July 2017	21,781,211	6,327,741	(16,759,885)	11,349,067
Loss for the year	-	-	(6,533,435)	(6,533,435)
Total comprehensive income	-	-	(6,533,435)	(6,533,435)
Transactions with owners, in their capacity as owners				
Share based payments	-	733,237	-	733,237
Issue of shares	-	-	-	-
Costs directly attributable to issue of share capital	(6,353)	-	-	(6,353)
Balance at 30 June 2018	21,774,858	7,060,978	(23,293,320)	5,542,516
Balance at 1 July 2018	21,774,858	7,060,978	(23,293,320)	5,542,516
Loss for the year	-	-	(5,439,459)	(5,439,459)
Total comprehensive income	-	-	(5,439,459)	(5,439,459)
Transactions with owners, in their capacity as owners				
Share based payments	-	578,434	-	578,434
Expiration/forfeiture of options	-	(861,208)	861,208	-
Issue of shares	7,500,000	-	-	7,500,000
Costs directly attributable to issue of share capital	(494,074)	-	-	(494,074)
Balance at 30 June 2019	28,780,784	6,778,204	(27,871,571)	7,687,417

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Consolidated Statement of Cash Flows
For the Year Ended 30 June 2019

	Note	Consolidated	
		2019	2018
		\$	\$
Cash flows from operating activities			
Cash payments to suppliers and employees		(6,802,915)	(6,464,375)
Receipts from customers		48,394	-
Interest received		81,335	108,166
R&D tax incentive and other grants received		1,821,878	1,205,697
Net cash flows used in operating activities	19	(4,851,308)	(5,150,512)
Cash flows from investing activities			
Acquisition of fixed assets		(36,131)	-
Net cash flows used in investing activities		(36,131)	-
Cash flows from financing activities			
Proceeds from issue of share capital		7,500,000	-
Costs of capital raising		(494,074)	(6,353)
Net cash flows (used in)/provided by financing activities		7,005,926	(6,353)
Net (decrease)/increase in cash and cash equivalents		2,118,487	(5,156,865)
Cash and cash equivalents at the beginning of the financial year		3,397,899	8,554,764
Cash and cash equivalents at the end of the financial year	8	5,516,386	3,397,899

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

Notes to the Consolidated Financial Statements
For the Year Ended 30 June 2019

Note 1 Reporting Entity

This annual financial report includes the financial statements and notes of ResApp Health Limited (“the Company”) and its controlled entity (“the Group”). The Group is a for-profit entity and is domiciled in Australia. The Group, through an exclusive license is developing smart phone applications for respiratory disease diagnostics and management. Its registered address is Level 24, 44 St George’s Terrace, Perth, Western Australia, 6000. Its principal office is Level 8, 127 Creek Street, Brisbane, Queensland, 4000.

ResApp Health Limited is the ultimate Australian parent entity and ultimate parent of the Group.

Note 2 Going Concern

The financial report has been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlements of liabilities in the ordinary course of business. The entity incurred an operating loss of \$5,439,459 for the year ended 30 June 2019 (2018: \$6,533,435) and a net cash outflow from operating activities amounting to \$4,851,308 (2018: \$5,150,512).

Based on the cash flow forecasts and other factors referred to above, the directors are satisfied that the going concern basis of preparation is appropriate. The Directors believe there are sufficient funds to meet the Group’s working capital requirements and as at the date of this report, the Group believes it can meet all liabilities as and when they fall due.

Note 3 Significant Accounting Policies

New Accounting Standards adopted as at 1 July 2018

AASB 9 Financial Instruments

AASB 9 Financial Instruments replaces AASB 139 *Financial Instruments: Recognition and Measurement*. It makes major changes to the previous guidance on the classification and measurement of financial assets and introduces an ‘expected credit loss’ model for impairment of financial assets. When adopting AASB 9, the Group has applied transitional relief and opted not to restate prior periods. Differences arising from the adoption of AASB 9 in relation to classification, measurement, and impairment are recognised in opening deficit as at 1 July 2018.

AASB 9 also contains new requirements on the application of hedge accounting. The new hedge accounting looks to the align hedge accounting with entities’ risk management activities look to align hedge accounting more closely with entities’ risk management activities by increasing the eligibility of both hedged items and hedging instruments and introducing a more principles-based approach to assessing hedge effectiveness. The adoption of AASB 9 has had no impact on the transactions and balances recognised in the financial statements.

AASB 15 Revenue from contracts with customers

AASB 15 replaces AASB 118 *Revenue*, AASB 111 *Construction Contracts* and several revenue-related Interpretations. The new Standard has been applied as at 1 July 2018 using the modified retrospective approach. Under this method, the cumulative effect of initial application is recognised as an adjustment to the opening balance of deficit at 1 July 2018 and comparatives are not restated. In accordance with the transition guidance, AASB 15 has only been applied to contracts that are incomplete as at 1 July 2018. The adoption of AASB 15 has had no impact on the transactions and balances recognised in the financial statements.

Notes to the Consolidated Financial Statements (continued)
For the Year Ended 30 June 2019

New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Group for the annual reporting period ended 30 June 2019. The Group's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the Group, are set out below.

AASB 16 Leases

This standard is applicable to annual reporting periods beginning on or after 1 July 2019. For lessee accounting, the standard eliminates the 'operating lease' and 'finance lease' classification required by AASB 117, *Leases*. Subject to exemptions, a 'right-of-use' asset will be capitalised in the statement of financial position, representing its rights to use the underlying assets. The exemptions relate to short-term leases of 12 months or less and leases of low-value assets (such as personal computers and office furniture) where an accounting policy choice exists whereby either a 'right-of-use' asset is recognised or lease payments are expensed to profit or loss as incurred. A liability corresponding to the capitalised lease will also be recognised, adjusted for lease prepayments, lease incentives received, initial direct costs incurred and an estimate of any future restoration, removal or dismantling costs. Straight-line operating lease expense recognition will be replaced with a depreciation charge for the leased asset (included in operating costs) and an interest expense on the recognised lease liability (included in finance costs). For classification within the statement of cash flows, the lease payments will be separated into both a principal (financing activities) and interest (either operating or financing activities) components. For lessor accounting, the standard does not substantially change how a lessor accounts for leases. The Group will adopt this standard from 1 July 2019. Management will apply the recognition exemption for leases for which the lease term ends within 12 months of the date of initial application. Accordingly, the adoption of AASB 16 is expected to have no material impact on the transactions and balances recognised in the financial statements.

Basis of preparation

These financial statements include the financial statements of the ResApp Health Limited (the "Company"), and its controlled entity (the "Group"). These general-purpose financial statements have been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001*. Australian Accounting Standards are equivalent to International Financial Reporting Standards ("IFRS"). Compliance with Australian Accounting Standards ensures that these financial statements comply with International Financial Reporting Standards. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

Except for the cash flow information, the financial statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

The functional currency of the Group is measured using the currency of the primary economic environment in which the Group operates. These financial statements are presented in Australian dollars which is the Group's functional and presentation currency.

All amounts presented have been rounded to the nearest whole dollar.

Notes to the Consolidated Financial Statements (continued)
For the Year Ended 30 June 2019

The following significant accounting policies have been adopted in the preparation and presentation of the financial report:

Revenue recognition

Revenue from contracts with customers is measured and recognised in accordance with the five-step model prescribed by AASB 15, *Revenue from Contracts with Customers*. First, contracts with customers within the scope of AASB 15 are identified. Distinct promises with the contract are identified as performance obligations. The transaction price of the contract is measured based on the amount of consideration the Group expects to be entitled from the customer in exchange for goods or services. Factors such as requirements around variable consideration, significant financing components, non-cash consideration, or amounts payable to customers also determine the transaction price.

Revenue is recognised when, or as, performance obligations are satisfied, which is when control of the promised goods or services is transferred to the customer. The Group does not currently have any material contracts with customers.

All revenue is stated net of the amount of goods and services tax (GST).

The Group also has other income comprised of government grants related to the research and development tax incentives and interest income.

Interest income

Interest income is recognised when it becomes receivable on a proportional basis taking in to account the interest rates applicable to the financial assets.

Government grants

Grants from government, including Australian Research and Development Tax Incentive (RDTI), are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions.

Where a grant is received relating to research and development costs that have been expensed, the grant is recognised as other income when the grant becomes receivable.

When the grant relates to an asset, the cost of the asset is shown net of the grant or receivable.

Research and development costs

Research and development costs include payroll, employee benefits and other employee related costs associated with product development. Technological feasibility for software products is reached shortly before products are released for commercial sale to customers. Costs incurred after technological feasibility is established are not material, and accordingly, all research and development costs are expensed when incurred.

Cash and cash equivalents

Cash comprises cash on hand and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Notes to the Consolidated Financial Statements (continued)
For the Year Ended 30 June 2019

Financial instruments

Recognition, initial measurement and derecognition

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument, and are measured initially at fair value adjusted by transactions costs, except for those carried at fair value through profit or loss, which are measured initially at fair value. Subsequent measurement of financial assets and financial liabilities are described below.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Classification and subsequent measurement of financial assets

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with AASB 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

For the purpose of subsequent measurement, financial assets other than those designated and effective as hedging instruments are classified into the following categories upon initial recognition:

- amortised cost
- fair value through profit or loss (FVPL)
- equity instruments at fair value through other comprehensive income (FVOCI)
- debt instruments at fair value through other comprehensive income (FVOCI)

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses.

Classifications are determined by both:

- The entity business model for managing the financial asset
- The contractual cash flow characteristics of the financial assets

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables, which is presented within other expenses.

Subsequent measurement financial assets

Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVPL):

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Group's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments.

Notes to the Consolidated Financial Statements (continued)
For the Year Ended 30 June 2019

Financial assets at fair value through profit or loss (FVPL)

Financial assets that are held within a different business model other than ‘hold to collect’ or ‘hold to collect and sell’ are categorised at fair value through profit and loss. Further, irrespective of business model financial assets whose contractual cash flows are not solely payments of principal and interest are accounted for at FVPL. All derivative financial instruments fall into this category, except for those designated and effective as hedging instruments, for which the hedge accounting requirements apply (see below).

Equity instruments at fair value through other comprehensive income (Equity FVOCI)

Investments in equity instruments that are not held for trading are eligible for an irrevocable election at inception to be measured at FVOCI. Under Equity FVOCI, subsequent movements in fair value are recognised in other comprehensive income and are never reclassified to profit or loss. Dividend from these investments continue to be recorded as other income within the profit or loss unless the dividend clearly represents return of capital.

Debt instruments at fair value through other comprehensive income (Debt FVOCI)

Financial assets with contractual cash flows representing solely payments of principal and interest and held within a business model of collecting the contractual cash flows and selling the assets are accounted for at debt FVOCI.

Impairment of financial assets

AASB 9’s impairment requirements use more forward looking information to recognize expected credit losses – the ‘expected credit losses (ECL) model’. Instruments within the scope of the new requirements included loans and other debt-type financial assets measured at amortised cost and FVOCI, trade receivables, contract assets recognised and measured under AASB 15 and loan commitments and some financial guarantee contracts (for the issuer) that are not measured at fair value through profit or loss.

The Group considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

In applying this forward-looking approach, a distinction is made between:

- financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk (‘Stage 1’) and
- financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low (‘Stage 2’).

‘Stage 3’ would cover financial assets that have objective evidence of impairment at the reporting date. ‘12-month expected credit losses’ are recognised for the first category while ‘lifetime expected credit losses’ are recognised for the second category.

Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

Trade and other receivables and contract assets

The Group makes use of a simplified approach in accounting for trade and other receivables as well as contract assets and records the loss allowance at the amount equal to the expected lifetime credit losses. In using this practical expedient, the Group uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix.

The Group assess impairment of trade receivables on a collective basis as they possess credit risk characteristics based on the days past due. The Group has nil trade receivables as at 30 June 2019.

Classification and measurement of financial liabilities

As the accounting for financial liabilities remains largely unchanged from AASB 139, the Group’s financial liabilities were not impacted by the adoption of AASB 9. However, for completeness, the accounting policy is disclosed below.

Notes to the Consolidated Financial Statements (continued)
For the Year Ended 30 June 2019

The Group's financial liabilities include trade and other payables.

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Group designated a financial liability at fair value through profit or loss.

Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for derivatives and financial liabilities designated at FVPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss (other than derivative financial instruments that are designated and effective as hedging instruments).

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income.

Fixed Assets

Computer equipment and office furniture

Computer equipment and office furniture are initially recognised at acquisition cost, including any costs directly attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the manner intended by the Group's management. Computer equipment and office furniture are subsequently measured using the cost model, cost less subsequent depreciation and impairment losses.

Depreciation is recognised on a straight-line basis to write down the cost less estimated residual value of computer equipment and office furniture, with useful life of 2 to 3 years.

Gains or losses arising on the disposal of property and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised in profit or loss within other income or other expenses.

Intangible Assets

Intangible assets acquired separately are capitalised at cost, and if acquired as a result of a business combination, capitalised at fair value as at the date of acquisition. Following initial recognition, the cost model is applied to all classes of intangible assets. The useful lives of the intangible assets are assessed to be either finite or indefinite. Where amortisation is charged on intangible assets with finite lives, this expense is taken to the statement of profit or loss and other comprehensive income through the 'depreciation & amortisation expense' line item. Intangible assets with finite lives are tested for impairment where an indicator of impairment exists. Useful lives are examined on an annual basis and adjustments, where applicable, are made on a prospective basis.

Licensed Intellectual Property (IP) are recognised at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

The Group has ascribed an estimated useful life of its Licenced Intellectual Property of 18 years from the date of acquisition, which is based on the expected usage and benefits derived over the patents' useful lives.

Gains or losses arising from the de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss and other comprehensive income when the intangible asset is derecognised.

Notes to the Consolidated Financial Statements (continued)
For the Year Ended 30 June 2019

Impairment of Non-financial Assets

At each reporting date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash generating unit) is reduced to its recoverable amount.

An impairment loss is recognised in profit or loss immediately, unless the relevant asset is carried at fair value, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised in profit or loss immediately, unless the relevant asset is carried at fair value, in which case the reversal of the impairment loss is treated as a revaluation increase.

Income tax

The income tax expense for the period is the tax payable on the current period's taxable income based on the notional income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax base of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

Deferred tax assets are only recognised for deductible temporary differences, between carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases, at the tax rates expected to apply when the assets are recovered or liabilities settled, based on those tax rates which are enacted or substantially enacted for each jurisdiction. Exceptions are made for certain temporary differences arising on initial recognition of an asset or liability if they arose in a transaction other than a business combination that at the time of the transaction did not affect either accounting profit or taxable profit.

Deferred tax assets are only recognised for deductible temporary differences and unused tax losses if there is reasonable certainty that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries, associates and interests in joint ventures where the parent entity is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Current and deferred tax balances relating to amounts recognised directly in other comprehensive income or equity are also recognised directly in other comprehensive income or equity.

Notes to the Consolidated Financial Statements (continued)
For the Year Ended 30 June 2019

Provision

A provision is recognised in the statement of financial position when the Company has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation, and the amount has been reliably estimated.

Operating Leases

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are recognised as an expense on a straight-line basis over the term of the lease.

Lease incentives received under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

Employee benefits

Short-term employee benefits

Short-term employee benefits are benefits, other than termination benefits, that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. Examples of such benefits include wages and salaries and non-monetary benefits. Short-term employee benefits and on-costs are measured at the undiscounted amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits

The Group's liabilities for long service leave are included in non-current employee benefits provisions as they are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are measured at the present value of the expected future payments to be made to employees. The expected future payments incorporate anticipated future wage and salary levels, experience of employee departures and periods of service, and are discounted at rates determined by reference to market yields at the end of the reporting period on high quality corporate bonds that have maturity dates that approximate the timing of the estimated future cash outflows. Any re-measurements arising from experience adjustments and changes in assumptions are recognised in profit or loss in the periods in which the changes occur.

The Group presents employee benefit obligations as current liabilities in the statement of financial position if the Group does not have an unconditional right to defer settlement for at least 12 months after the reporting period, irrespective of when the actual settlement is expected to take place.

Share-based payments

The Group operates equity-settled share-based remuneration plans for its employees. None of the Group's plans feature any options for a cash settlement.

All goods and services received in exchange for the grant of any share-based payment are measured at their fair values. Where employees are rewarded using share-based payments, the fair values of employees' services are determined indirectly by reference to the fair value of the equity instruments granted. This fair value is appraised at the grant date and excludes the impact of non-market vesting conditions (for example profitability and sales growth targets and performance conditions).

All share-based remuneration is ultimately recognised as an expense in profit or loss with a corresponding credit to share option reserve. If vesting periods or other vesting conditions apply, the expense is allocated over the vesting period, based on the best available estimate of the number of share options expected to vest.

Notes to the Consolidated Financial Statements (continued)
For the Year Ended 30 June 2019

Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. Estimates are subsequently revised if there is any indication that the number of share options expected to vest differs from previous estimates. Any cumulative adjustment prior to vesting is recognised in the current period. No adjustment is made to any expense recognised in prior periods if share options ultimately exercised are different to that estimated on vesting.

Upon exercise of share options, the proceeds received net of any directly attributable transaction costs are allocated to share capital up to the nominal (or par) value of the shares issued with any excess being recorded as share premium.

Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST components of investing and financing activities, which are disclosed as operating cash flows.

Trade and other payables

Trade and other payables represent the liabilities for goods and services received by the entity that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

Critical accounting judgements and key sources of estimation uncertainty

The directors make a number of estimates and assumptions in preparing general purpose financial statements. The resulting accounting estimates, will, by definition, seldom equal the related actual results. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods if relevant.

The following key judgements and estimates were made in preparing these financial statements:

Impairment of intangibles

The Group assesses impairment at the end of each reporting period by evaluating conditions and events specific to the Group that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using calculations which incorporate various key assumptions. All intangible assets are accounted for using the cost model whereby costs are amortised on a straight-line basis over their estimated useful lives, as these assets are considered finite, if indicators the Group considers indicators are present. The Group has ascribed an estimated useful life of the intangibles of 18 years from the date of acquisition, which is based on the expected usage and benefits derived over the patents' useful lives. Residual values and useful lives are reviewed at each reporting date. In addition, they are subject to annual impairment indicators review.

Share based payment expenses

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using the Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity. Share based payments are disclosed in note 17.

Notes to the Consolidated Financial Statements (continued)
For the Year Ended 30 June 2019

R&D tax incentive

The R&D Tax Incentive is recognised when a reliable estimate of the amounts receivable can be made and management have assessed the likelihood of receipt as being high. For the year ended 30 June 2019, the Group has estimated the rebate which will be received within the next twelve months from reporting date and has accrued that amount as income in the statement of profit or loss and other comprehensive income.

Note 4 Other Income

	Consolidated	
	2019	2018
	\$	\$
R&D tax incentive	2,643,915	998,273
Other income and grant	88,455	306
	2,732,370	998,579

Management applied judgement to estimate the amount of Research & Development rebate (R&D tax incentive) available to the Group for the financial year ended 30 June 2019 to be \$1,798,000 (2018: \$998,273). In addition, on 13 March 2019, the Group received approval from AusIndustry for its application for an Advanced/Overseas Finding in respect to clinical study expenditure associated with its US-based paediatric and adult clinical studies for the diagnosis of respiratory disease using cough sounds. The finding covers financial years (FY) 2017/18, 2018/19 and 2019/20 and means that eligible overseas research and development expenditure, in addition to Australian expenditure, will be subject to a 43.5% cash rebate under the Australian Federal Government's R&D Tax Incentive Program. Accordingly, the company recognised additional R&D tax incentive income of \$845,915 in 2019 in relation to its Advanced/Overseas finding for FY 2017/18. This was disclosed in the 2018 financial report, however, was not accrued due to its uncertainty. Total R&D tax incentive received in 2019 is \$1,781,817 which includes the R&D tax from Advanced/Overseas Finding.

Note 5 General and Administrative Costs

	Consolidated	
	2019	2018
	\$	(Restated; See note 27) \$
Employee costs and directors fees	493,823	624,042
Professional fees (including legal fees)	248,855	222,030
Consulting fees	202,583	189,864
Amortisation and depreciation	140,200	134,914
Share based payment expense	50,161	-
Other administration expenses	649,461	627,883
	1,785,083	1,798,733

Notes to the Consolidated Financial Statements (continued)
For the Year Ended 30 June 2019

Note 6 Research and Development Costs

	Consolidated	
	2019	2018
		(Restated; See note 27)
	\$	\$
Employee costs	1,763,872	1,356,317
Share based payment expense	528,273	733,237
Other research and development costs	4,188,718	3,730,734
	6,480,863	5,820,288

Note 7 Incomes Taxes

The prima face income tax expense on pre-tax accounting loss from operations reconciles to the income tax expense in the financial statements as follows:

	Consolidated	
	2019	2018
	\$	\$
Loss from continuing operations before tax expense	(5,439,459)	(6,533,435)
Prima facie income tax benefit at 27.5% (2018: 27.5%)	(1,495,851)	(1,796,695)
Tax effect of:		
Non-deductible items		
Share based payments	159,069	201,640
Expenditure subject to R&D claim	1,136,667	1,025,952
Entertainment	1,287	1,827
Others	-	(15,731)
Non-assessable R&D refund	(727,077)	(274,525)
Prima facie tax adjusted for permanent differences	(925,905)	(857,532)
Unrecognised deferred tax assets	925,905	857,532
Income tax expense	-	-

Unrecognised deferred tax balances

The following deferred tax assets (at 27.5%) have not been brought to account:

Unused tax losses	3,246,497	3,414,975
Other temporary differences	416,968	102,037
Total unrecognised deferred tax assets	3,663,465	3,517,012

The net deferred tax assets not brought to account will only be of a benefit to the Company if future assessable income is derived of a nature and amount sufficient to enable the benefits to be realised, the conditions for deductibility imposed by the tax legislation continue to be complied with and the Company is able to meet the continuity of ownership and/or continuity of business tests.

Notes to the Consolidated Financial Statements (continued)
For the Year Ended 30 June 2019

The unused tax losses as at 30 June 2018 has been reduced by \$779,452 in the current year to align with the final 2018 income tax return. The adjustment is largely attributable to the tax treatment of R&D expenditures related to the advanced/overseas finding for FY 2017/18 which was finalised in March 2019, as discussed in note 4.

Note 8 Cash and cash equivalents

	Consolidated	
	2019	2018
	\$	\$
Cash at bank	957,558	1,321,761
Short-term deposits	4,558,828	2,076,138
	5,516,386	3,397,899

Note 9 Other receivables

	Consolidated	
	2019	2018
	\$	\$
R&D tax rebate receivable	1,798,000	935,902
GST receivable	93,893	44,556
Interest receivable	12,782	-
	1,904,675	980,458

Note 10 Financial Instruments

The Group's financial instruments consist mainly of deposits with banks and accounts receivable and payable.

	Consolidated	
	2019	2018
	\$	\$
Financial assets		
Cash and cash equivalents	5,516,386	3,397,899
Other receivables	1,904,675	980,458
Total financial assets	7,421,061	4,378,357
Financial liabilities		
Trade and other payables	1,473,929	775,311
Total financial liabilities	1,473,929	775,311

(a) Financial risk management policies

The Group's principal financial instruments comprise cash and short-term deposits and trade and other payables as disclosed in the financial statements. The main purpose of these financial instruments is to manage the

Notes to the Consolidated Financial Statements (continued)
For the Year Ended 30 June 2019

working capital needs of the Group's operations. It is the Group's policy that no trading in financial instruments shall be undertaken. The board reviews and agrees policies for managing this risk is summarised below.

i. Significant accounting policies

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instruments are disclosed in Note 3 to the financial statements.

ii. Credit risk management

The Company is not currently exposed to credit risk other than in the normal course of business. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position.

Credit risk related to balances with banks and other financial institutions is managed by the Board in accordance with approved board policy. Such policy requires that surplus funds are only invested with counterparties with a Standard & Poor's rating of at least AA-. The following table provides information regarding the credit risk relating to cash and money market securities based on Standard & Poor's counterparty credit ratings.

	Consolidated	
	2019	2018
	\$	\$
Cash and cash equivalents		
AA- rated	5,516,386	3,397,899
	5,516,386	3,397,899

iii. Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the board of directors, which has built an appropriate liquidity risk management framework for the management of the Company's short, medium and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

	Consolidated	
	2019	2018
	\$	\$
<i>Financial liabilities due for payment</i>		
Trade and other payables	1,473,929	775,311
Total expected outflows	1,473,929	775,311
<i>Financial assets – cash flow realisable</i>		
Cash and cash equivalents	5,516,386	3,397,899
Other receivables	1,904,675	980,458
Total anticipated inflows	7,421,061	4,378,357
Net inflow on financial instruments	5,947,132	3,603,046

Notes to the Consolidated Financial Statements (continued)
For the Year Ended 30 June 2019

iv. Interest rate risk

The financial instruments which primarily expose the Company to interest rate risk are cash and cash equivalents. The Company's exposure to interest rate risk and the effective interest rate for classes of financial assets and financial liabilities is set out below:

	Effective interest rate %	Floating interest rate %	1 year or less \$	Non-interest bearing \$	Total \$
Consolidated					
30-Jun-19					
<i>Financial assets</i>					
Cash & cash equivalents	2.15%	-	5,516,386	-	5,516,386
Other receivables	-	-	-	1,904,675	1,904,675
Total financial assets	-	-	5,516,386	1,904,675	7,421,061

Financial liabilities

Trade and other payables	-	-	1,473,929	-	1,473,929
Total financial liabilities	-	-	1,473,929	-	1,473,929

	Effective interest rate %	Floating interest rate %	1 year or less \$	Non-interest bearing \$	Total \$
Consolidated					
30-Jun-18					
<i>Financial assets</i>					
Cash & cash equivalents	1.11%	-	3,397,899	-	3,397,899
Other receivables	-	-	-	980,458	980,458
Total financial assets	-	-	3,397,899	980,458	4,378,357

Financial liabilities

Trade and other payables	-	-	775,311	-	775,311
Total financial liabilities	-	-	775,311	-	775,311

Notes to the Consolidated Financial Statements (continued)
For the Year Ended 30 June 2019

Sensitivity analysis on interest rate risk

The Group has performed sensitivity analysis relating to its interest rate risk based on the Group's year end exposure. This sensitivity demonstrates the effect on after tax results and equity which could result from a movement in interest rates of +/- 0.25%.

	Consolidated	
	2019	2018
	\$	\$
<i>Change in after tax loss</i>		
Increase in interest rate by 0.25%	11,397	8,461
Decrease in interest rate by 0.25%	(11,397)	(8,461)

v. Fair value of financial instruments

The fair values of financial assets and financial liabilities are determined as follows:

- The fair value of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices; and
- The fair value of other financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analyses.

The directors consider that the carrying amounts of financial assets and financial liabilities which are all recorded at amortised cost less accumulated impairment charges in these financial statements, approximate their fair values.

	Consolidated 2019		Consolidated 2018	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
	\$	\$	\$	\$
<i>Financial assets</i>				
Cash and cash equivalents	5,516,386	5,516,386	3,397,899	3,397,899
Other receivables	1,904,675	1,904,675	980,458	980,458
Total financial assets	7,421,061	7,421,061	4,378,357	4,378,357
<i>Financial liabilities</i>				
Trade and other payables	1,473,929	1,473,929	775,311	775,311
Total financial liabilities	1,473,929	1,473,929	775,311	775,311

Note 11 Interest in a subsidiary

The consolidated financial statements include financial statements of ResApp Health Limited and the following subsidiary:

Name	Country of Incorporation	% Equity Interest	
		2019	2018
ResApp Diagnostics Pty Ltd*	Australia	100%	100%

*Non-operating company; its primary activity is to hold the Licensed IP developed by UQ (see Note 13).

Notes to the Consolidated Financial Statements (continued)
For the Year Ended 30 June 2019

Note 12 Fixed assets

	Consolidated	
	2019	2018
	\$	\$
<i>Computer equipment & office furniture - Cost</i>		
Balance at beginning of the year	-	-
Additions	36,131	-
Balance at end of the year	36,131	-
<i>Computer equipment & office furniture - Accumulated depreciation</i>		
Balance at beginning of the year	-	-
Depreciation expense	5,286	-
Balance at end of the year	5,286	-
Net carrying value	30,845	-

Note 13 Intangibles

	Consolidated	
	2019	2018
	\$	\$
<i>Licensed IP - Cost</i>		
Balance at beginning of the year	2,428,459	2,428,459
Additions	-	-
Balance at end of the year	2,428,459	2,428,459
<i>Licensed IP- Accumulated amortisation</i>		
Balance at beginning of the year	404,743	269,829
Amortisation expense	134,914	134,914
Balance at end of the year	539,657	404,743
Net carrying value	1,888,802	2,023,716

The Group has ascribed an estimated useful life of the intangibles of 18 years from the date of acquisition, which is based on the expected usage and benefits derived over the patents' useful lives.

The Licensed IP developed (and owned) by UQ and licensed to ResApp via UniQuest includes patents and patent applications filed in five countries as well as those countries encompassed by the European Patent Convention. The patents and patent applications all claim a priority date of 29 March 2012. The following table summarises the patent applications:

Notes to the Consolidated Financial Statements (continued)
For the Year Ended 30 June 2019

Country	Patent Numbers	Title
Australia	2013239327	A method and apparatus for processing patient sounds
United States	10,098,569	A method and apparatus for processing patient sounds
Japan	6,435,257	A method and apparatus for processing patient sounds

Country	Application Number	Title
Europe	13768257.1	A method and apparatus for processing patient sounds
China	201380028268.X	A method and apparatus for processing patient sounds
Korea	10-2014-7030062	A method and apparatus for processing patient sounds

In addition to these patent applications, ResApp has an exclusive license of the know-how (and trade secrets) in the set of mathematical features and classifier technology used for the diagnosis and severity measurement of pneumonia, asthma and COPD developed by the research team at UQ.

Note 14 Trade and other payables

	Consolidated	
	2019	2018
	\$	\$
Trade payables	591,874	333,544
PAYG withholding payable	172,400	143,437
Superannuation payable	53,005	47,533
Accrued expenses & others	656,650	250,797
	1,473,929	775,311

Note 15 Employee benefits provision

	Consolidated	
	2019	2018
	\$	\$
<i>Current:</i>		
Annual leave	208,868	135,048
<i>Non-current:</i>		
Long-service leave	39,739	-

Notes to the Consolidated Financial Statements (continued)
For the Year Ended 30 June 2019

Note 16 Issued Capital

	Number of Shares	\$
Fully paid ordinary shares and authorised capital		
Balance as at 1 July 2017	659,039,602	21,781,211
No shares issued during the period	-	-
Costs directly attributable to issue of share capital	-	(6,353)
Balance as at 30 June 2018	<u>659,039,602</u>	<u>21,774,858</u>
Balance as at 1 July 2018	659,039,602	21,774,858
Shares issued 24 September 2018 under Placement ⁽¹⁾	34,090,910	7,500,000
Costs directly attributable to issue of share capital	-	(494,074)
Balance as at 30 June 2019	<u>693,130,512</u>	<u>28,780,784</u>

¹ On 24 September 2018, 34,090,910 shares were issued via a share Placement at \$0.22 per share.

Fully paid ordinary shares carry one vote per share and carry the right to dividends. Ordinary shares participate in dividends and the proceeds on winding up of the Company in proportion to the number of shares held. At the shareholders' meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

Performance Shares

On 2 July 2015, ResApp Health Limited acquired 100% of all the rights and title to ResApp Diagnostics Pty Ltd through the issue of 93,750,000 Fully Paid Ordinary Shares and 93,750,000 Performance Shares to the Vendors as consideration for the acquisition. The Performance Shares convert into fully paid ordinary shares on a 1:1 basis on the achievement of the milestone being the Company and any subsidiary (and if the Company or any related entity of the Company is licensed to use licensed IP, the Company and that related entity) achieving aggregated gross revenue of \$20 million in the five years commencing on the day the Company is readmitted to quotation on ASX (14 July 2020). A holder of Performance Shares is entitled to receive notices of general meetings and financials reports of the Company but is not entitled to vote on any resolutions proposed at a general meeting of the Company, other than as specifically allowed for under the Corporations Act. The Performance Shares do not entitle a holder to any dividends and do not confer on a holder any right to participate in surplus profits or assets of the Company upon the winding up of the Company. The Performance Shares are not transferable and do not entitle the holder to participate in new issues of securities. As the company has not generated revenues and do not deem any portion of the milestone to have yet been achieved, the performance shares have been ascribed no value as at 30 June 2019 and 2018.

Device Development Agreement

On 28 May 2019, the Company entered into a device development agreement with Avanti Med Ltd, a UK-based medical device manufacturer, to design, test and finalise two CE-marked devices: a low-cost ruggedized, handheld device and a small, wearable breathing monitor.

ResApp negotiated a fixed-price, milestone-based contract for the development of the devices. For each device, ResApp agreed to pay £75,000 in cash and issue AU\$250,000 of ordinary shares on project commencement, with the number of shares calculated on the volume-weighted average price of shares in the 30 days preceding the commencement date. Avanti agreed to deliver the initial design and technical specifications within 3 weeks of

Notes to the Consolidated Financial Statements (continued)
For the Year Ended 30 June 2019

signing. The balance of the project is divided into three milestones: delivery of functional prototypes, delivery of final designs and CE Mark approval. For each device, ResApp will make a fixed payment of AU\$500,000 when each milestone is achieved, payable in cash or ordinary shares at the election of ResApp. The number of shares for the milestone payments will be calculated using 80% of (i) the volume-weighted average price of shares in the 30 days preceding the milestone or (ii) 10 cents, whichever is higher. If ResApp elects to pay the milestones payment in shares, it is proposed that the shares will be issued under the Company's 15% placement capacity. ResApp has termination rights during the project, including the right to terminate if target milestones are not met.

As at reporting date, the Company paid £150,000 in cash which was recognised as research and development costs in the statement of profit and loss and other comprehensive income, and issued 3,125,000 ordinary shares on 4 July 2019, pursuant to the terms of the device development agreement (see also Note 24).

Capital risk management

The Group's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The capital risk management policy remains unchanged from the 30 June 2018 Annual Report.

Note 17 Equity-Settled Benefits Reserve

	Number of Options	Equity-Settled Benefits Reserve \$
Balance as at 1 July 2017	53,466,667	6,327,741
Options issued during the year	4,350,000	733,237
Balance as at 30 June 2018	57,816,667	7,060,978
Balance as at 1 July 2018	57,816,667	7,060,978
Options issued during the year	6,450,000	578,434
Options forfeited & lapsed during the year	(6,716,667)	(861,208)
Balance as at 30 June 2019	57,550,000	6,778,204

During the year ended 30 June 2018, ResApp Health Limited issued the following options which were expensed as share-based payments:

- 1,000,000 Employee Incentive Options were issued to an Employee on 21 July 2017 pursuant to the terms of the Company's Employee Incentive Plan. The Options are exercisable at \$0.45 and expire on 1 June 2020. One half of the Employee Incentive Options vest on 1 December 2017, and the remaining half vested on 1 June 2018 if the employee remains employed by the Company. The options are valued at the date of issue and recognised as expense over the vesting period.
- 1,500,000 Employee Incentive Options were issued to an Employee on 21 July 2017 pursuant to the terms of the Company's Employee Incentive Plan. The Options are exercisable at \$0.75 and expire on 1 June 2020. One half of the Employee Incentive Options vest on 1 December 2017, and the remaining half vested

Notes to the Consolidated Financial Statements (continued)
For the Year Ended 30 June 2019

on 1 June 2018 if the employee remains employed by the Company. The options are valued at the date of issue and recognised as expense over the vesting period.

- 100,000 Employee Incentive Options were issued to an Employee on 18 December 2017, being exercisable at \$0.085 and expiring on 18 December 2020.
- 900,000 Employee Incentive Options were issued to Employees on 18 December 2017 pursuant to the terms of the Company's Employee Incentive Plan. The Options are exercisable at \$0.085 and expire on 18 December 2020. The Employee Incentive Options vest in equal quarterly instalments over 2 years from the date of issue if the employee remains employed by the Company. The options are valued at the date of issue and recognised over the vesting period.
- 350,000 Consultancy Incentive Options were issued to consultants on 18 December 2017, being exercisable at \$0.085 and expiring on 18 December 2020.
- 500,000 Consultancy Incentive Options were issued to a consultant on 18 December 2017, being exercisable at \$0.14 and expiring on 18 December 2020.

During the year ended 30 June 2019, ResApp Health Limited issued the following options which were expensed as share-based payments:

- 1,950,000 Employee Incentive Options were issued to Employees on 11 February 2019 pursuant to the terms of the Company's Employee Incentive Plan. The Options are exercisable at \$0.12 and expire on 11 February 2022. The Employee Incentive Options vest in equal quarterly instalments over 2 years from the date of issue if the employee remains employed by the Company. The options are valued at the date of issue and recognised for the vesting period to 11 February 2021.
- 200,000 Employee Incentive Options were issued to an Employee on 18 February 2019 pursuant to the terms of the Company's Employee Incentive Plan. The Options are exercisable at \$0.11 and expire on 18 February 2022. The Employee Incentive Options vest in equal quarterly instalments over 2 years from the date of issue if the employee remains employed by the Company. The options are valued at the date of issue and recognised for the vesting period to 18 February 2021.
- 500,000 Employee Incentive Options were issued to an Employee on 25 February 2019 pursuant to the terms of the Company's Employee Incentive Plan. The Options are exercisable at \$0.11 and expire on 25 February 2022. The Employee Incentive Options vest immediately. The options are valued at the date of issue and recognised for the vesting period to 25 February 2021.
- 700,000 Consultancy Incentive Options were issued to Consultants on 25 February 2019, being exercisable at \$0.11, expiring on 25 February 2022 and vesting immediately.
- 200,000 Employee Incentive Options were issued to an Employee on 11 March 2019 pursuant to the terms of the Company's Employee Incentive Plan. The Options are exercisable at \$0.11 and expire on 11 March 2022. The Employee Incentive Options vest in equal quarterly instalments over 2 years from the date of issue if the employee remains employed by the Company. The options are valued at the date of issue and recognised for the vesting period to 11 March 2021.
- 500,000 Consultancy Incentive Options were issued to a consultant on 6 May 2019, being exercisable at \$0.19, expiring on 6 May 2022 and vesting immediately.
- 2,000,000 Consultancy Incentive Options were issued to a consultant on 6 May 2019, being exercisable at \$0.19, expiring on 6 May 2024 and vesting on ResApp, any subsidiary of ResApp or a third party licensee achieving FDA clearance, CE marking or TGA approval of a sleep apnoea screening or diagnostic tool, or on the sale of ResApp's assets related to sleep apnoea screening or diagnosis.
- 400,000 Consultancy Incentive Options were issued to Consultants on 5 June 2019, being exercisable at \$0.19, expiring on 5 June 2022 and vesting immediately.

The fair value of the options issued was estimated at the date of grant using the Black-Scholes option pricing model. The following table sets out the assumptions made in determining the fair value of the options granted during the years ended 30 June 2018 and 2019.

Notes to the Consolidated Financial Statements (continued)
For the Year Ended 30 June 2019

Grant date	Dividend yield	Expected volatility	Risk-free interest rate	Option exercise price	Expected life (years)	Share price on date of grant	Fair value on grant date	Value attributable to the options in the equity settled benefits reserve
2-Jul-15	0%	110%	1.92%	\$0.03	5	\$0.02	\$0.02	\$95,000
2-Jul-15	0%	110%	1.92%	\$0.05	5	\$0.02	\$0.02	\$85,000
2-Jul-15	0%	110%	1.92%	\$0.10	5	\$0.02	\$0.02	\$150,000
22-Sep-15	0%	110%	1.92%	\$0.05	5	\$0.02	\$0.02	\$66,006
22-Sep-15	0%	110%	1.92%	\$0.10	5	\$0.02	\$0.02	\$38,512
29-Apr-16	0%	110%	2.00%	\$0.28	3	\$0.21	\$0.13	\$585,445
29-Apr-16	0%	110%	2.00%	\$0.30	3	\$0.21	\$0.13	\$238,007
16-Sep-16	0%	100%	1.48%	\$0.45	3	\$0.43	\$0.26	\$489,882
16-Sep-16	0%	100%	1.48%	\$0.45	3	\$0.43	\$0.26	\$527,454
16-Sep-16	0%	100%	1.48%	\$0.75	3	\$0.43	\$0.22	\$439,545
10-Nov-16	0%	104%	1.48%	\$0.45	3	\$0.44	\$0.28	\$2,009,593
10-Nov-16	0%	104%	1.48%	\$0.75	3	\$0.44	\$0.24	\$1,746,558
14-Feb-17	0%	100%	1.48%	\$0.45	3.7	\$0.37	\$0.24	\$30,020
14-Feb-17	0%	100%	1.48%	\$0.45	3.8	\$0.37	\$0.24	\$68,712
13-Mar-17	0%	100%	1.48%	\$0.45	4	\$0.32	\$0.20	\$43,194
1-May-17	0%	100%	1.48%	\$0.45	4	\$0.32	\$0.20	\$19,754
21-Jul-17	0%	100%	1.95%	\$0.75	2.8	\$0.31	\$0.17	\$166,878
18-Dec-17	0%	100%	2.00%	\$0.09	3	\$0.09	\$0.13	\$200,749
18-Dec-17	0%	100%	2.00%	\$0.09	3	\$0.09	\$0.06	\$5,808
18-Dec-17	0%	100%	2.00%	\$0.09	3	\$0.09	\$0.06	\$13,891
18-Dec-17	0%	100%	2.00%	\$0.09	3	\$0.09	\$0.05	\$18,602
18-Dec-17	0%	100%	2.00%	\$0.14	3	\$0.09	\$0.04	\$22,368
Balance at 30 June 2018								\$7,060,978

Grant date	Dividend yield	Expected volatility	Risk-free interest rate	Option exercise price	Expected life (years)	Share price on date of grant	Fair value on grant date	Value attributable to the options in the equity settled benefits reserve
2-Jul-15	0%	110%	1.92%	\$0.03	5	\$0.02	\$0.02	\$95,000
2-Jul-15	0%	110%	1.92%	\$0.05	5	\$0.02	\$0.02	\$85,000
2-Jul-15	0%	110%	1.92%	\$0.10	5	\$0.02	\$0.02	\$150,000
22-Sep-15	0%	110%	1.92%	\$0.05	5	\$0.02	\$0.02	\$66,006
22-Sep-15	0%	110%	1.92%	\$0.10	5	\$0.02	\$0.02	\$38,512
16-Sep-16	0%	100%	1.48%	\$0.45	3	\$0.43	\$0.26	\$527,454
16-Sep-16	0%	100%	1.48%	\$0.45	3	\$0.43	\$0.26	\$527,454
16-Sep-16	0%	100%	1.48%	\$0.75	3	\$0.43	\$0.22	\$439,545
10-Nov-16	0%	104%	1.48%	\$0.45	3	\$0.44	\$0.28	\$2,009,593
10-Nov-16	0%	104%	1.48%	\$0.75	3	\$0.44	\$0.24	\$1,746,558
14-Feb-17	0%	100%	1.48%	\$0.45	3.8	\$0.37	\$0.24	\$100,032
13-Mar-17	0%	100%	1.48%	\$0.45	4	\$0.32	\$0.20	\$74,907
1-May-17	0%	100%	1.48%	\$0.45	4	\$0.32	\$0.20	\$33,962
21-Jul-17	0%	100%	1.95%	\$0.75	2.8	\$0.31	\$0.17	\$166,878
18-Dec-17	0%	100%	2.00%	\$0.09	3	\$0.09	\$0.13	\$200,749
18-Dec-17	0%	100%	2.00%	\$0.09	3	\$0.09	\$0.06	\$5,808
18-Dec-17	0%	100%	2.00%	\$0.09	3	\$0.09	\$0.06	\$34,059
18-Dec-17	0%	100%	2.00%	\$0.09	3	\$0.09	\$0.05	\$18,602
18-Dec-17	0%	100%	2.00%	\$0.14	3	\$0.09	\$0.04	\$22,366
11-Feb-19	0%	126%	1.47%	\$0.12	3	\$0.09	\$0.07	\$24,481
18-Feb-19	0%	126%	1.47%	\$0.11	3	\$0.09	\$0.06	\$2,364
25-Feb-19	0%	126%	1.47%	\$0.11	3	\$0.09	\$0.06	\$31,639
25-Feb-19	0%	126%	1.47%	\$0.11	3	\$0.09	\$0.06	\$44,294
11-Mar-19	0%	126%	1.47%	\$0.11	3	\$0.09	\$0.06	\$2,121
6-May-19	0%	125%	1.47%	\$0.19	3	\$0.17	\$0.12	\$58,204
6-May-19	0%	125%	1.47%	\$0.19	3	\$0.17	\$0.14	\$227,331
5-Jun-19	0%	127%	1.00%	\$0.19	3	\$0.16	\$0.11	\$45,285
Balance at 30 June 2019								\$6,778,204

Notes to the Consolidated Financial Statements (continued)
For the Year Ended 30 June 2019

Note 18 Loss Per Share

The earnings and weighted average number of ordinary shares used in the calculation of basic loss per share are as follows:

	Consolidated	
	2019	2018
	\$	\$
Loss attributable to ordinary equity holders (used in calculating basic and diluted EPS) – continuing operations.	(5,439,459)	(6,533,435)
Weighted average number of ordinary shares for the purpose of basic and diluted earnings per share adjusted for share consolidation ¹	685,191,533	659,039,602
Loss per share (basic and diluted) (cents)	(0.79)	(0.99)

¹ 57,550,000 options excluded from the calculation will have no impact due to the Group's loss-making position, as they are anti-dilutive.

Note 19 Notes to the Cash Flow Statements

Reconciliation of loss for the period to net cash flows from operating activities

	Consolidated	
	2019	2018
	\$	\$
Loss after income tax	(5,439,459)	(6,533,435)
Non-cash flows in loss:		
Share based payments	578,434	733,237
Depreciation and amortisation	140,200	134,914
Changes in assets and liabilities relating to operating activities		
Decrease/(increase) in other receivables	(924,217)	203,787
Decrease/(increase) in other assets	(18,443)	-
(Decrease)/increase in trade and other payables	698,618	188,215
Increase/(decrease) in provisions	113,559	122,770
Net cash flows used in operating activities	(4,851,308)	(5,150,512)

Note 20 Remuneration of Auditors

	Consolidated	
	2019	2018
	\$	\$
Audit and other non-audit services		
<i>Grant Thornton Audit Pty Ltd:</i>		
Audit and review of financial reports	40,000	29,310
Other services	15,700	24,000
	55,700	53,310

Notes to the Consolidated Financial Statements (continued)
For the Year Ended 30 June 2019

Note 21 Related Party Transactions

(a) Transactions with key management personnel

i. Key management personnel compensation

The aggregate compensation made to key management personnel of the Group is set out below:

	Consolidated	
	2019	2018
	\$	\$
Short term employee benefits	455,708	521,708
Post-employment benefits	34,331	40,288
	490,039	561,996

ii. Transactions with key management personnel and related parties

Other than those transactions noted in the audited Remuneration Report, there were no related party transactions that occurred in the reporting period.

Note 22 Contingent Liabilities

The Directors of the Group are not aware of any contingent liabilities which require disclosure in the financial year ended 30 June 2019.

Note 23 Commitments

	Consolidated	
	2019	2018
	\$	\$
<i>Operating lease commitment</i>		
Not later than 1 year	19,549	93,086
Later than 1 year but not later than 5 years	-	19,549
Total operating lease commitment	19,549	112,635
<i>Research expenditure commitment</i>		
Not later than 1 year	51,200	-
Total research expenditure commitment	51,200	-
<i>Clinical study commitments</i>		
Not later than 1 year	-	1,666,279
Total clinical study commitments	-	1,666,279

Notes to the Consolidated Financial Statements (continued)
For the Year Ended 30 June 2019

Note 24 Subsequent Events

On 4 July 2019, the Company announced that 3,125,000 Shares had been issued pursuant to the terms of the device development agreement announced to ASX in May 2019, at a deemed issue price of \$0.16, as disclosed in note 16.

On 23 August 2019, the Company announced that its first commercial product, ResAppDx-EU, has received CE Mark certification as a Class IIa medical device. ResAppDx-EU is the world's first smartphone-based diagnostic test for acute paediatric respiratory disease. CE Mark certification indicates that ResAppDx-EU meets the essential requirements of all the applicable European regulations as a medical device and allows for the sale of ResAppDx-EU in the European Economic Area.

No other adjusting or significant non-adjusting events have occurred between the reporting date and the date of authorisation.

Note 25 Segment Reporting

The Group has identified its operating segment as medical technology. The reportable segment is represented by the primary consolidated statements forming the financial report for the year ended 30 June 2019. These are the figures that are reviewed and used by the Board of Directors in assessing performance and determining the allocation of resources.

Note 26 Parent Entity Information

The following detailed information is related to the parent entity, ResApp Health Limited, as at 30 June 2019 and 2018:

	2019	2018
	\$	\$
Current assets	7,484,907	4,417,116
Non-current assets	2,487,090	2,462,629
Total assets	9,971,997	6,879,745
Current liabilities	1,682,797	910,367
Non-current liability	39,739	-
Total liabilities	1,722,536	910,367
Contributed equity	28,780,784	21,774,858
Reserves	6,778,204	7,060,978
Accumulated losses	(27,309,527)	(22,866,458)
Total equity	8,249,461	5,969,378
Loss for the year	(5,304,284)	(6,398,275)
Other comprehensive income for the year	-	-
Total comprehensive loss for the year	(5,304,284)	(6,398,275)

Note 27 Restatement

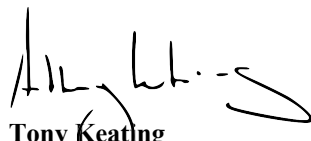
The 2018 statement of profit or loss and other comprehensive income has been restated to conform with current year presentation.

Directors' Declaration

The Directors' of the Group declare that:

1. in the Directors' opinion, the financial statements and accompanying notes set out on pages 16 to 43 are in accordance with the *Corporations Act 2001* and:
 - (a) comply with Accounting Standards and the *Corporations Regulations 2001*; and
 - (b) give a true and fair view of the Group's financial position as at 30 June 2019 and of its performance for the year ended on that date;
2. note 3 confirms that the financial statements also comply with International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB);
3. in the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable;
4. the remuneration disclosures included in pages 10 to 13 of the directors' report (as part of the audited Remuneration Report), for the year ended 30 June 2019, comply with section 300A of the *Corporations Act 2001*; and

This declaration is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the directors by:



Tony Keating
Director

Brisbane
28th day of August 2019

Independent Auditor's Report

To the Members of ResApp Health Limited

Report on the audit of the financial report

Opinion

We have audited the financial report of ResApp Health Limited (the Company) and its subsidiary (the Group), which comprises the consolidated statement of financial position as at 30 June 2019, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and the Directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- a giving a true and fair view of the Group's financial position as at 30 June 2019 and of its performance for the year ended on that date; and
- b complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter
How our audit addressed the key audit matter
**Intangible assets – licenses held over patent
– refer to Note 3 and 13.**

At 30 June 2019 the carrying value of intangible assets was \$1,888,802. In accordance with AASB 138 *Intangible Assets*, the entity is required to assess at each reporting period the amortisation period and amortisation method for intangible assets. In accordance with AASB 136 *Impairment of Assets*, the entity must also assess if there are any indicators of impairment which may suggest the carrying value of the intangible assets is in excess of their recoverable amount.

The intellectual property intangible assets are licenses held over patents. The patents are being utilised in researching and developing the Group's respiratory application technology. The application is currently at the research stage. The process to assess the related amortisation period, method, and potential impairment triggers involves significant management judgement and subjectivity.

This area is a key audit matter due to the degree of subjectivity involved in the estimates and assumptions used by management in the impairment analysis, and determination of the useful life of the IP.

Our procedures included, amongst others:

- assessing the reasonableness of management's assessment of the annual review of the amortisation period and amortisation method of intangible assets, pursuant to AASB 138;
- making enquiries of management to gain an understanding of their judgements and assumptions and critically evaluating those inputs and assumptions;
- analysing management's impairment memorandum to assess the relevance of impairment indicators under AASB 136;
- consideration of the application of requirements under AASB 136 for identifying an asset that may be impaired; and
- assessing the appropriateness of the related financial statement disclosures.

Measurement of research and development tax incentive rebate accrual – refer to Note 3, 6 and 9.

The Group receives a 43.5% refundable tax offset (2018:43.5%) of eligible expenditure under the research and development (R&D) tax incentive scheme. An R&D plan is filed with AusIndustry in the following financial year and, based on this filing, the Group receives the incentive in cash. Management performs a detailed review of the Group's total research and development expenditure to determine the potential claim under the R&D tax incentive legislation.

The Group recognises R&D tax incentive rebate income on an accruals basis, meaning that a receivable is recorded at the balance date based on the estimated claim that is yet to be received from the Australian Taxation Office. The receivable at year end for the incentive was \$1,798,000. This represents an estimated claim for the period 1 July 2018 to 30 June 2019. This includes the overseas expenditure incurred, pursuant to the Certificate for Advance Finding received from the Department of Industry, Innovation and Science during the 2019 period.

The R&D refundable tax offset represents a significant portion of income and assets recognised in the 2019 financial report.

This area is a key audit matter due to the size of the accrual and because there is a degree of judgement and interpretation of the

R&D tax legislation required by management to assess the eligibility and amount of the R&D expenditure and corresponding refundable tax offsets under the scheme.

Our procedures included, amongst others:

- obtaining the FY19 R&D incentive calculations prepared by management and engaging an internal R&D Tax Expert to assist the audit team in assessing the accuracy of the estimate;
- considering the nature of the expenses against the eligibility criteria of the R&D tax incentive scheme to form a view about whether the expenses included in the estimate were likely to meet the eligibility criteria;
- assessing the eligible expenditure used to calculate the estimate to ensure it is in accordance with expenditure recorded in the general ledger;
- agreeing a sample of individual expenditure items included in the estimate to underlying supporting documentation to ensure that they have been appropriately recognised in the accounting records and that they are eligible expenditures;
- obtaining a copy of the Certificate for Advance Finding under Section 28A and 28C of the Industry Research and Development Act 1986.
- inspecting copies of relevant correspondence with AusIndustry and the ATO related to the claims;
- checking the mathematical accuracy of the claim calculations; and
- reviewing the appropriateness of the relevant disclosures in the financial statements.

Information other than the financial report and auditor's report thereon

The Directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2019, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the financial report

The Directors of the Group are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the Directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/ar1.pdf. This description forms part of our auditor's report.

Report on the remuneration report

Opinion on the remuneration report

We have audited the Remuneration Report included in pages 10 to 13 of the Directors' report for the year ended 30 June 2019.

In our opinion, the Remuneration Report of ResApp Health Limited, for the year ended 30 June 2019 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The Directors of the Group are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.



Grant Thornton Audit Pty Ltd
Chartered Accountants



Cameron Smith
Partner – Audit & Assurance

Brisbane, 28 August 2019

ASX Additional Information

Pursuant to the Listing Rules of the Australian Securities Exchange, the shareholder information set out below was applicable as at 12 August 2019.

a) Distribution of Equity Securities

Analysis of numbers of shareholders by size of holding:

Distribution	Number of Shares	%	Number of Shareholders
1 to 1,000	254,071	0.04	588
1,001 to 5,000	3,760,007	0.54	1,240
5,001 to 10,000	7,614,019	1.09	955
10,001 to 100,000	103,562,628	14.87	2,698
100,001 and Over	581,064,787	83.46	960
	696,255,512	100.00	6,441

There were 1,286 shareholders holding less than a marketable parcel of ordinary shares.

b) Substantial Shareholders

An extract of the Company's Register of Substantial Shareholders (who hold 5% or more of the issued capital) is set out below.

Shareholder Name	Issued Ordinary Shares	
	Number	%
FIL Limited	60,848,856	8.74
Freeman Road Pty Ltd <The Avenue A/C>	43,500,000	6.25
Ian Francis Reynolds	36,930,633	5.30

Note: This information is based on the number of shares included in the Substantial Shareholder Notices lodged by the respective holders.

c) Twenty Largest Shareholders

The names of the twenty largest holders of quoted shares are listed below:

Shareholder	Number of Shares	%
1 HSBC Custody Nominees (Australia) Limited	68,749,122	9.87
2 Freeman Road Pty Ltd <The Avenue A/C>	43,500,000	6.25
3 JP Morgan Nominees Australia Pty Limited	15,746,226	2.26
4 BNP Paribas Nominees Pty Ltd <IB AU Noms Retail Client DRP>	15,635,326	2.25
5 Narhex Life Sciences Developments Pty Ltd	12,997,005	1.87
6 Mr Frank Weng Thong Chew	12,951,741	1.86
7 CEM International (Asia) Pty Ltd	12,849,888	1.85
8 Newtonmore Biosciences Pty Ltd <The Newtonmore Superannuation Fund>	8,437,500	1.21
9 Tittel Pty Ltd	5,800,000	0.83

ASX Additional Information

10	Mr Trent Antony Goodrick	5,250,000	0.75
11	Citicorp Nominees Pty Limited	5,046,631	0.72
12	Wilk Holdings Pty Ltd <The Wilk Super Fund A/C>	5,000,000	0.72
13	Let Superannuation Pty Ltd <Let Super Fund A/C>	4,794,103	0.69
14	Mr Victor John Wilk	4,500,000	0.65
15	Mr Jason Dennis Roberts <JD Roberts Family A/C>	3,689,404	0.53
16	Queensland Forest Industries Pty Ltd	3,603,722	0.52
17	Gardmac Pty Ltd <Macks Super Fund A/C>	3,590,069	0.52
18	Dr Geoffrey Waring	3,214,534	0.46
19	Dr Nathan Goodrick	3,163,000	0.45
20	Sobol Capital Pty Ltd <BOC A/C>	3,109,375	0.45
TOTAL		241,627,646	34.70

d) Listed Options

As at the date of this report there were nil listed options on issue in the Company.

e) Voting Rights

In accordance with the Company's Constitution, voting rights in respect of ordinary shares are on a show of hands whereby each member present in person or by proxy shall have one vote and upon a poll, each share will have one vote.

f) Unquoted Securities

Performance Shares

Number of Performance Shares	93,750,000
Number of Holders	8
Holders with more than 20%	UniQuest Pty Ltd – 45% Brian Leedman & Natasha Leedman – 20%

Incentive Options - \$0.025; 2 July 2020

Number of Performance Shares	5,000,000
Number of Holders	1
Holders with more than 20%	Dr Tony Keating – 100%

Incentive Options - \$0.05; 2 July 2020

Number of Performance Shares	5,000,000
Number of Holders	1
Holders with more than 20%	Dr Tony Keating – 100%

Incentive Options - \$0.10; 2 July 2020

Number of Incentive Options	10,000,000
Number of Holders	1
Holders with more than 20%	Dr Tony Keating – 100%

ASX Additional Information

Incentive Options - \$0.05; 22 September 2020

Number of Incentive Options	3,000,000
Number of Holders	1
Holders with more than 20%	Dr Udantha Abeyratne – 100%

Incentive Options - \$0.10; 22 September 2020

Number of Incentive Options	2,000,000
Number of Holders	1
Holders with more than 20%	Dr Udantha Abeyratne – 100%

Incentive Options- \$0.45; 16 September 2019

Number of Incentive Options	2,000,000
Number of Holders	2
Holders with more than 20%	Dr Udantha Abeyratne – 50% Dr Paul Porter – 50%

Incentive Options- \$0.75; 16 September 2019

Number of Incentive Options	2,000,000
Number of Holders	2
Holders with more than 20%	Dr Udantha Abeyratne – 50% Dr Paul Porter – 50%

Incentive Options- \$0.14; 18 December 2020

Number of Incentive Options	500,000
Number of Holders	1
Holders with more than 20%	Dr Philip Currie – 100%

Incentive Options- \$0.085; 18 December 2020

Number of Incentive Options	350,000
Number of Holders	2
Holders with more than 20%	Dr Paul Porter – 28.6% Dr Philip Currie – 71.4%

Incentive Options- \$0.11; 25 February 2022

Number of Incentive Options	700,000
Number of Holders	2
Holders with more than 20%	Dr Scott Claxton – 28.6% Dr Paul Porter – 71.4%

ASX Additional Information

Incentive Options- \$0.19; 6 May 2022

Number of Incentive Options	500,000
Number of Holders	1
Holders with more than 20%	Dr Philip Currie – 100%

Incentive Options- \$0.19; 6 May 2024

Number of Incentive Options	2,000,000
Number of Holders	1
Holders with more than 20%	Dr Philip Currie – 100%

Incentive Options- \$0.19; 5 June 2022

Number of Incentive Options	400,000
Number of Holders	2
Holders with more than 20%	Dr Naomi Fried – 50% Dr Joseph Kvedar – 50%

Employee Incentive Options

ESOP Options - \$0.45; 16 September 2019	2,000,000 Options – 4 holders
ESOP Options - \$0.45; 10 November 2019	7,200,000 Options – 4 holders
ESOP Options - \$0.75; 10 November 2019	7,400,000 Options – 4 holders
ESOP Options - \$0.45; 12 December 2020	500,000 Options – 1 holder
ESOP Options - \$0.45; 13 March 2021	500,000 Options – 1 holder
ESOP Options - \$0.45; 1 May 2021	250,000 Options – 1 holder
ESOP Options - \$0.45; 1 June 2020	1,000,000 Options – 1 holder
ESOP Options - \$0.75; 1 June 2020	1,500,000 Options – 1 holder
ESOP Options - \$0.085; 18 December 2020	900,000 Options – 9 holders
ESOP Options - \$0.12; 11 February 2022	1,950,000 Options – 9 holders
ESOP Options - \$0.11; 18 February 2022	200,000 Options – 1 holder
ESOP Options - \$0.11; 25 February 2022	500,000 Options – 1 holder
ESOP Options - \$0.11; 11 March 2022	200,000 Options – 1 holder

g) Details Performance Shares

Each of the 93,750,000 performance shares will convert to one (1) fully paid ordinary share upon satisfaction of the relevant Milestone. Accordingly, the performance shares will convert into fully paid ordinary shares in the capital of the Company within 7 days of the release of the audited accounts in respect of the period in which ResApp and any subsidiaries of ResApp (or if the Company or any Related Entity of the Company is licensed to use the Licensed IP, the Company and that Related Entity) achieving aggregated gross revenue of \$20,000,000 in the five years commencing on the day the Company is readmitted to quotation on ASX, being 14 July 2015.

No performance shares were converted or cancelled during the period. No performance milestones were met during the period.

ASX Additional Information

h) On Market Buy-Back

There is no current on market buy-back for any of the Company's securities.

i) Restricted Securities

There are currently no restricted securities on issue.