

APPENDIX 4D

For the Half Year Ended 31 December 2017

Results for Announcement to the Market

Current Reporting Period - Half year ended 31 December 2017

Previous Reporting Period - Half year ended 31 December 2016

				31 Dec 2017	31 Dec 2016
Revenue	Up	33,13%	to	\$10,737	from \$8,065
Loss after tax attributable to members	Down	57.99%	to	(\$782,909)	from (\$1,863,946)
Net loss for the period attributable to members	Down	57.99%	to	(\$782,909)	from (\$1,863,946)

Net Tangible Asset per Security (cents per security)

As at 31 December 2017 0.23

As at 30 June 2017 0.39

Dividends (distribution)	Amount per Security	Franked Amount per Security
Final dividend	n/a	n/a
Previous corresponding period	n/a	n/a

Record date for determining entitlements to dividend

n/a

Details of dividend reinvestment plans in operation

None

Details of entities over which control has been gained or lost during the period

None

Details of Associates and Joint Ventures

None

These accounts have been subject to review and there has been no qualification or dispute.

Explanation of the above information:

Refer to the Directors' Report - Review of Operations.

Approved Date: Monday, 26th February 2018

RESPIRI LIMITED

ABN 98 009 234 173

Appendix 4D Interim Financial Report For the Half Year ended December 2017

To be read in conjunction with the 30 June 2017 Annual Report

In compliance with Listing Rule 4.2A

Table of Contents

Directors' Report	4
Auditors' Independence Declaration	6
Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income	7
Condensed Consolidated Statement of Financial Position	8
Condensed Consolidated Statement of Changes in Equity	9
Condensed Consolidated Statement of Cash Flows	10
Notes to the Condensed Consolidated Financial Statements	11
Directors' Declaration	19
Independent Auditors' Review Report	20
Corporate Directory	22

This Half Year Financial Report does not include all notes of the type normal included in an Annual Financial Report. Accordingly, this report is to be read in conjunction with the Annual Financial Report for the year ended 30 June 2017 and any public announcements made by Respiri Limited during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001 and the ASX Listing Rules.

Directors' Report *(Continued...)*

The Directors' of Respiro Limited ("RSH", "Respiro" or "the Group") provide the following Report on the consolidated entity consisting of Respiro Limited and the entities it controlled for the half year ended 31 December 2017.

DIRECTORS

The following persons were Directors of the Group during the whole of the half-year and up to the date of this report, unless otherwise stated:

Mr Leon L'Huillier	Non-Executive Chairman (Executive Chairman up until 14 December 2017)
Mr John Ribot-de-Bresac	Non-Executive Director
Dr Timothy Oldham	Non-Executive Director (Retired on 14 December 2017)
Mr Mario Francis Gattino	CEO and Executive Director (Appointed on 14 December 2017)

PRINCIPAL ACTIVITIES

During the financial half-year the principal continuing activities of the consolidated entity consisted of research, development and commercialisation of medical devices, and the production of Mobile Health applications. There were no significant changes in the nature of the Group's principal activities during the Half Year.

REVIEW OF OPERATIONS

The Group's trend of improving our cash flow position continues with a reduced first half loss of \$782,909 compared with the same half last year of \$1,863,946. The result reflects the Group's increasing ability to optimise the Research and Development Tax Incentive process and ensure payment is more aligned with the dates of the respective R&D activity. Our net cash outflow was \$500,504 (2016: \$1,771,875) and no impairment charges relating to inventories or other assets were recognised during the half-year (2016: nil).

Cutting edge engineering and software development of the AirSonea Generation 2 home monitoring device and smart app continued to be the Group's highest priority throughout the period. Consistent with previous announcements, the directors committed resources to the development of a next generation breath sensor to replace the 2013 model, fully leveraging the Research and Development Tax Incentive for 2016 to accelerate the process. In September, we announced the appointment of leading technology commercialisation Group, Grey Innovation to produce the 2018 next generation breath sensor with a new creative design and superior ergonomics. As previously announced, Respiro's breath sensor development will take a minimum of six months. We are pleased to reaffirm that the functioning demonstration quality prototype for technology demonstration purposes with potential partners and investors is scheduled for completion by May 2018. The new breath sensor will complement our state of the art real time smart app capabilities featuring our proprietary Acoustic Respiratory Monitoring algorithm with Artificial Intelligence, completed earlier in 2017 with our software suppliers Two Bulls. The Group must ensure its products remain at the leading edge of respiratory monitoring technology.

In October, the Group announced the appointment of former senior global Pfizer executive Mario Gattino as Chief Executive Officer (CEO), becoming effective Dec 1st, 2017. He brings over 25 years' experience in senior leadership positions within the medical industry, with a demonstrated track record of successfully commercialising drugs and medical devices globally. He was appointed as an Executive Director at the Group's Annual General Meeting in December 2017. With the new CEO in place, Leon L' Huillier confirmed his intention to take on the role of Non Executive Chairman after a period of transition.

The Group remains disciplined in our capital management and continues to strictly control its cash burn. The directors are reviewing several proposals to strengthen our capital position, whether it be a formal capital raising or collaboration / joint venture with a potential equity partner (s). The Group has

Directors' Report *(Continued...)*

streamlined its Research and Development Tax Incentive application process for the financial year ended 2017 and the estimated receipt of \$753,000 was received early January 2018. We are confident, based on a history now of approved payments from the ATO, that our speedier and more efficient internal process will result in a similar payment for our financial year end 2018 research and development activities in August / September 2018. Again, giving our cash position a significant boost more aligned with the dates of the respective activity.

On December 14th the Group held its Annual General Meeting, which included the Chairman Leon L'Huillier's address providing shareholders with an update on the Group's position and Board approved major milestones for 2018. The results of voting per tabled resolutions were announced the following day.

In conjunction with Quarterly 4C report, the new CEO provided via a separate announcement a brief update and added detail to reaffirm the Group plans and prioritisation of previously stated milestones for 2018 which establish a pathway to successful commercialisation.

AUDITORS' INDEPENDENCE DECLARATION

A copy of the auditors' independence declaration as required under section 307C of the Corporations Act 2001 is set out on the page 6.

Signed in accordance with a resolution of directors made pursuant to s.306(3) of the Corporations Act 2001.



On behalf of the Directors
Mr Leon L'Huillier
Chairman

Melbourne
Dated this the 26th Day of February 2018.

The Board of Directors
Respiri Limited
Level 10, 446 Collins Street
Melbourne VIC 3000

26 February 2018

Dear Board Members

Respiri Limited

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Respiri Limited.

As lead audit partner for the review of the financial statements of Respiri Limited for the half-year ended 31 December 2017, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the or review.

Yours sincerely

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU



Anneke Du Toit
Partner
Chartered Accountants

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the Half Year Ended 31 December 2017

	Note	Consolidated 31 December 2017 \$ AUD	Consolidated 31 December 2016 \$ AUD
Revenue			
Operating Revenue		-	-
Non-operating Revenue		10,737	8,065
Other Income		865,154	-
Total Revenue		875,891	8,065
Expenses			
Amortisation expenses		(116,819)	(132,932)
Consulting, employee and director expenses		(562,448)	(342,883)
Share-based payment expense		(9,841)	(217,103)
Corporate administration expenses		(511,617)	(340,509)
Depreciation expenses		(4,710)	(14,480)
Marketing and promotion expenses		(17,890)	(17,665)
Research and development expenses		(409,565)	(783,207)
Travel expenses		(25,910)	(23,232)
Loss before income tax expense from continuing operations		(782,909)	(1,863,946)
Income tax expense		-	-
Loss after income tax for the period		(782,909)	(1,863,946)
Other comprehensive income:			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Exchange differences on translation of foreign operations		(15,826)	681
Total comprehensive loss for the period		(798,735)	(1,863,265)
Loss attributable to members of the parent entity		(782,909)	(1,863,946)
Total comprehensive loss attributable to members of the parent entity		(798,735)	(1,863,265)
Loss per share for the period attributable to the members of the parent entity			
Basic loss per share (cents per share)	9	(0.18)	(0.43)
Diluted loss per share (cents per share)	9	(0.18)	(0.43)

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

Condensed Consolidated Statement of Financial Position

As at 31 December 2017

	Note	Consolidated 31 December 2017 \$ AUD	Consolidated 30 June 2017 \$ AUD
ASSETS			
Current Assets			
Cash and cash equivalents		1,053,575	1,562,920
Trade and other receivables		853,346	866,171
Other		37,338	66,190
Total Current Assets		1,944,259	2,495,281
Non-Current Assets			
Property, plant and equipment		7,824	19,897
Intangible assets	5	-	122,974
Other assets		2,971	3,086
Total Non-Current Assets		10,795	145,957
TOTAL ASSETS		1,955,054	2,641,238
LIABILITIES			
Current Liabilities			
Trade and other payables		933,453	830,743
Other financial liabilities		12,912	12,912
Total Current Liabilities		946,365	843,655
TOTAL LIABILITIES		946,365	843,655
NET ASSETS		1,008,689	1,797,583
EQUITY			
Issued capital	7	99,382,258	99,382,258
Reserves		(75,925)	(69,940)
Accumulated Losses		(98,297,644)	(97,514,735)
TOTAL EQUITY		1,008,689	1,797,583

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

Condensed Consolidated Statement of Changes in Equity

For the Half Year Ended 31 December 2017

	Issued Capital	Option Reserve	Foreign Currency Translation Reserve	Accumulated Losses	Total
	\$ AUD	\$ AUD	\$ AUD	\$ AUD	\$ AUD
Balance as at 30 June 2016	99,312,258	327,990	(283,634)	(95,320,673)	4,035,941
Loss after income tax expense for the period	-	-	-	(1,863,946)	(1,863,946)
Other comprehensive income for the period, net of tax	-	-	681	-	681
Total comprehensive loss for the half-year	-	-	681	(1,863,946)	(1,863,265)
<i>Transactions with Equity holders in their capacity as equity holders:</i>					
Share-based payment expense	-	217,103	-	-	217,103
Options Lapsed*	-	(132,472)	-	132,472	-
Balance at 31 December 2016	99,312,258	412,621	(282,953)	(97,052,147)	2,389,779
Balance at 30 June 2017	99,382,258	217,102	(287,042)	(97,514,735)	1,797,583
Loss after income tax expense for the period	-	-	-	(782,909)	(782,909)
Other comprehensive income for the period, net of tax	-	-	(15,826)	-	(15,826)
Total comprehensive loss for the half-year	-	-	(15,826)	(782,909)	(798,735)
<i>Transactions with Equity holders in their capacity as equity holders:</i>					
Share-based payment expense	-	9,841	-	-	9,841
Options Lapsed*	-	-	-	-	-
Balance at 31 December 2017	99,382,258	226,943	(302,868)	(98,297,644)	1,008,689

* To transfer the value of lapsed/expired options from the reserve to accumulated losses.

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

Condensed Consolidated Statement of Cash Flows

For the Half Year Ended 31 December 2017

	Consolidated 31 December 2017	Consolidated 31 December 2016
Note	\$ AUD	\$ AUD
<u>Cash flows from operating activities</u>		
Receipts from customers	2,241	-
R&D tax incentive refund	937,361	-
Payments to suppliers and employees (inclusive of GST)	(1,447,338)	(1,779,379)
Interest received	8,496	8,065
Net cash flows used in operating activities	(499,240)	(1,771,314)
<u>Cash flows related to investing activities</u>		
Payments for purchases of plant and equipment	(2,668)	(561)
Proceeds of property, plant and equipment	1,404	-
Net cash flows used in investing activities	(1,264)	(561)
<u>Cash flows related to financing activities</u>		
Net cash flows from financing activities	-	-
Net (decrease) in cash and cash equivalents	(500,504)	(1,771,875)
Cash and cash equivalents at the beginning of the period	1,562,920	4,502,078
Effects of exchange rate changes on cash and cash equivalents	(8,841)	(13,024)
Cash and cash equivalents at the end of the period	1,053,575	2,717,179

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

Note 1 - Statement of Compliance

The half-year financial report is a general purpose financial report prepared in accordance with the Corporations Act 2001 and AASB 134 'Interim Financial Reporting'. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'. The half-year report does not include notes of the type normally included in an annual financial report and shall be read in conjunction with the most recent annual financial report.

Basis of Preparation

The condensed consolidated financial statements have been prepared on the basis of historical cost. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the Group's 2017 annual financial report for the financial year ended 30 June 2017. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

Going Concern

The financial report has been prepared on the going concern basis, which assumes continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

The Group is involved in significant development activity and as such, expects to be cash absorbing until its technologies are commercialised. In the half year to 31 December 2017, the Group recorded losses before taxation of \$782,909 (2016: \$1,863,946) and experienced net cash outflows of \$500,504 (2016: \$1,771,875). The Group has continued to receive Research and Development Tax Incentive income in relation to these activities, including \$753,397 cash received in January 2018 relating to the 30 June 2017 financial year.

The directors believe the going concern basis of preparation to be appropriate. Having carefully assessed the Group's ability to effectively manage its expenditures and cash flow, if necessary the Group can reduce expenditure, such that it will require a minimum of \$400,000 in additional funds in the next 12 months from 31 December 2017 in order to remain as a going concern.

In conjunction with the above, the Group also expects to receive further Research and Development Tax Incentive income in relation to its 30 June 2018 activities. The Directors are confident, based on the history now of receiving payments from the ATO, that our speedier and more efficient internal process will result in payment for our financial year end 2018 research and development activities in August / September 2018. The Group is also evaluating other Australian based activity beyond R&D that would qualify for increased Government funding (e.g. manufacturing and export of our technology).

However it will require additional capital in order to meet its planned milestones. We have a number of options for consideration ranging from a formal capital raising to a collaboration / joint venture with a potential equity partner(s) and is currently reviewing several proposals to assist in meeting cash flow commitments. Whilst no decision has been made in relation to these proposals as at the date of these financial statements, the directors believe there are reasonable grounds to expect that they will be successful in executing prior to the 30 June 2018 financial year end. The Group has a strong track record of accessing capital when it is required to advance our portfolio.

The Group has made substantial progress in restructuring of the Israel office and continues to closely monitor its development and overhead expenditure. The Board decision to relocate the technology development activity to our Australian based hardware and software R&D teams has resulted in multiple benefits. Firstly, with our R&D activity being conducted in Australia, we have been able to increase funding from the Research and Development Tax Incentive. Secondly, it has provided increased coordination and efficiency for our development goals in 2018, and finally, it has delivered significant operating cost savings which are reflected in the reported financials.

Should the Group be unable to achieve the matters set out above, a material uncertainty would exist as to whether the Group will be able to continue as a going concern and therefore whether it will realise its assets and discharge its liabilities in the normal course of business. The half-year financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts, or to the amounts and classification of liabilities that might by necessary should the Group not continue as a going concern.

Note 2 – Amendments to Accounting Standards that are mandatorily effective for the current financial Period

The Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to their operations and effective for an accounting period that begins on or after 1 January 2017.

New and revised Standards and amendments thereof and Interpretations effective for the current year that are relevant to the Group include:

- *AASB 1048 Interpretation of Standards*
- *AASB 2016-1 Amendments to Australian Accounting Standards – Recognition of Deferred Tax Assets for Unrealised Losses*
- *AASB 2016-2 Amendments to Australian Accounting Standards – Disclosure Initiative:*
- *Amendments to AASB 107*
- *AASB 2017-2 Amendments to Australian Accounting Standards – Further Annual Improvements 2014-2016*

New and revised Australian Accounting Standards in issue but not yet effective

At the date of authorisation of the financial statements, the Group has not applied the following new and revised Australian Accounting Standards, Interpretations and amendments that have been issued but are not yet effective:

Notes to the Consolidated Financial Statements (Continued...)

Ref	Title	Summary	Application date of standard	Impact on financial report	Application date
AASB 9	<i>Financial Instruments and its consequential amendments</i>	Completes phases I and III of the IASB's project to replace IAS 39 (AASB 139) 'Financial Instruments: Recognition and Measurement'. This standard introduces new classification and measurement models for financial assets, using a single approach to determine whether a financial asset is measured at amortised cost or fair value. Accounting for financial liabilities continues to be measured in accordance with AASB 139, with one exception, the portion of a change of fair value relating to the entity's own credit risk is to be presented in other comprehensive income unless it would create an accounting mismatch. Chapter 6 'Hedge Accounting' supersedes the general hedge accounting requirements in AASB 139 and provides a new simpler approach to hedge accounting that is intended to more closely align with risk management activities undertaken by entities when hedging financial and non-financial risks.	1 Jan 18	The Group is still determining if there will be any potential impact	1 Jul 18
AASB 15	<i>Revenue from Contracts with Customers</i>	This amends AASB 18 'Revenue', AASB 111 'Construction Contracts' and revenue-related interpretations. The amendment establishes a new control-based revenue recognition model, which changes the basis for deciding whether revenue is to be recognised over time or at point in time.	1 Jan 18	The Group is still determining if there will be any potential impact	1 Jul 18
AASB 16	<i>Leases</i>	The standard replaces AASB 117 'Leases' and for lessees will eliminate the classifications of operating leases and finance leases. The standard outlines the recognition and measurement requirements for 'right-of-use' assets on the statement of financial position.	1 Jan 19	The Group is still determining if there will be any potential impact	1 Jul 19
AASB 2016-5	<i>Amendments to Australian Accounting Standards – Classification and Measurement of Share-based Payment Transactions</i>	AASB 2016-5 amends AASB 2 Share-based Payment (July 2015) as a consequence of the issuance of International Financial Reporting Standard Classification and Measurement of Share-based Payment Transactions (Amendments to IFRS 2) by the International Accounting Standards Board in June 2016.	1 Jan 18	The Group is still determining if there will be any potential impact	1 Jul 18

Notes to the Consolidated Financial Statements (Continued...)

Ref	Title	Summary	Application date of standard	Impact on financial report	Application date
AASB 2017-1	<i>Amendments to Australian Accounting Standards – Transfers of Investment Property, Annual Improvements 2014-2016 Cycle and Other Amendments</i>	This Standard amends: (a) AASB 1 First-time Adoption of Australian Accounting Standards (July 2015); (b) AASB 128 Investments in Associates and Joint Ventures (August 2015); and (c) AASB 140 Investment Property (August 2015); as a consequence of the issuance of International Financial Reporting Standards Transfers of Investment Property (Amendments to IAS 40) and Annual Improvements to IFRS Standards 2014–2016 Cycle and IFRIC Interpretation 22 Foreign Currency Transactions and Advance Consideration by the International Accounting Standards Board in December 2016.	1 Jan 18	The Group is still determining if there will be any potential impact	1 Jul 18
AASB Interpretation 22	<i>Foreign Currency Transactions and Advance Consideration</i>	AASB Interpretation 22 addresses how to determine the date of the foreign currency transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income (or part it) on the derecognition of a non-monetary liability arising from the payment or receipt of advance consideration in a foreign currency.	1 Jan 18	The Group is still determining if there will be any potential impact	1 Jul 18
Interpretation 23	<i>Uncertainty over Income Tax Treatments</i>	This Interpretation clarifies how to apply the recognition and measurement requirements in AASB 112 when there is uncertainty over income tax treatments. In such a circumstance, an entity shall recognise and measure its current or deferred tax asset or liability applying the requirements in AASB 112 based on taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates determined applying this Interpretation.	1 Jan 19	The Group is still determining if there will be any potential impact	1 Jul 19

In addition, at the date of authorisation of the financial statements the following IASB Standards and IFRIC Interpretations were on issue but not yet effective, but for which Australian equivalent Standards and Interpretations have not yet been issued.

Title	Summary	Application date of standard	Impact on financial report	Application date
<i>Annual Improvements to IFRS Standards 2015-2017 Cycle</i>	The improvements clarify amendments affecting IFRS 3, 'Business combinations', IFRS 11, 'Joint arrangements', IAS 12, 'Income taxes', and IAS 23, 'Borrowing costs'.	1 Jan 19	The Group is still determining if there will be any potential impact	1 Jul 2019

Notes to the Consolidated Financial Statements (Continued...)

Note 3 - Dividends

No dividends have been declared for the period ended 31 December 2017.

Note 4 - Segment Information

AASB 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance.

Information reported to the Group's Chief Operating Decision Makers for the purposes of resource allocation and assessment of performance is more specifically focused on the geographical locations of the Group's operations.

The Group's reportable segments under AASB 8 are therefore as follows:

- Australia
- Israel

The Australia reportable segment activities include research, development and commercialisation of medical devices, and the production of Mobile Health applications in Australia.

The Israel reportable segment activities include research, development and commercialisation of medical devices.

In prior years, the Group has had operations in United States; however these operations have ceased and therefore are no longer reported as a reportable segment.

Information regarding these segments is presented below. The accounting policies of the reportable segments are the same as the Group's accounting policies.

31 December 2017	---- Medical Devices ----		Segment	Corporate	Total
	Australia \$ AUD	Israel \$ AUD	Total \$ AUD	\$ AUD	\$ AUD
Segment Revenue					
External sales	-	-	-	-	-
Interest revenue	-	2,241	2,241	8,496	10,737
Other income	865,154	-	865,154	-	865,154
Total Segment Revenue	865,154	2,241	867,395	8,496	875,891
Segment Expenses					
Segment Amortisation Expenses	-	(116,819)	(116,819)	-	(116,819)
Segment Depreciation Expenses	-	(2,694)	(2,694)	(2,017)	(4,711)
Segment Expenses	(410,564)	(217,091)	(627,655)	(909,615)	(1,537,270)
Total Segment Expense	(410,564)	(336,604)	(747,168)	(911,632)	(1,658,800)
Income Tax Expense	-	-	-	-	-
Net Result	454,590	(334,363)	120,227	(903,136)	(782,909)
Assets					
Segment assets	30,252	56,722	86,974	1,868,080	1,955,054
Total Assets	30,252	56,722	86,974	1,868,080	1,955,054
Liabilities					
Segment liabilities	398,086	41,477	439,563	506,802	946,365
Total Liabilities	398,086	41,477	439,563	506,802	946,365

Notes to the Consolidated Financial Statements (Continued...)

31 December 2016	----- Medical Devices -----		Segment	Corporate	Total
	Australia \$ AUD	Israel \$ AUD	Total \$ AUD	\$ AUD	\$ AUD
Segment Revenue					
External sales	-	-	-	-	-
Interest revenue	26	10	36	8,029	8,065
Other Income	-	-	-	-	-
Total Segment Revenue	26	10	36	8,029	8,065
Segment Expenses					
Segment Amortisation Expenses	-	(132,932)	(132,932)	-	(132,932)
Segment Depreciation Expenses	-	(6,300)	(6,300)	(8,180)	(14,480)
Segment Expenses	(597,539)	(322,763)	(920,302)	(804,297)	(1,724,599)
Total Segment Expense	(597,539)	(461,995)	(1,059,534)	(812,477)	(1,872,011)
Income Tax Expense	-	-	-	-	-
Net Result	(597,513)	(461,985)	(1,059,498)	(804,448)	(1,863,946)
Assets					
Segment assets	155,324	329,807	485,131	2,747,103	3,232,234
Total Assets	155,324	329,807	485,131	2,747,103	3,232,234
Liabilities					
Segment liabilities	415,103	84,780	499,883	342,572	842,455
Total Liabilities	415,103	84,780	499,883	342,572	842,455

Note 5 - Intangible Assets

	31 December 2017 \$ AUD	30 June 2017 \$ AUD
Intellectual Property		
At cost	2,005,002	2,011,157
Accumulated Amortisation	(2,005,002)	(1,888,183)
	-	122,974

Amortisation is charged on a straight line basis over the expected life of the asset and begins when the asset is available for use. The Directors have determined that the asset was available for use on 1 January 2008 and the life of the intangible is 10 years. Intellectual property relates to acquired assets. The asset is fully written down as at 31 December 2017.

Note 6 - Contingent Liabilities and Assets

There has been no change in contingent liabilities and assets since the last annual report for the financial year ended 30 June 2017.

Notes to the Consolidated Financial Statements (Continued...)

Note 7 – Issued Capital

	31 December 2017		30 June 2017	
	No.	\$ AUD	No.	\$ AUD
Fully Paid Ordinary Shares				
Balance at beginning of year	433,383,224	99,382,258	432,383,224	99,312,224
Shares issued during the year	-	-	1,000,000	70,000
Transactions costs relating to share issues	-	-	-	-
Total Issued Capital	433,383,224	99,382,258	433,383,224	99,382,258

During the Half year ended 31 December 2017, the Group issued no Fully Paid Ordinary Shares.

Note 8 - Option Reserve

	31 December 2017		30 June 2017	
	No.	\$ AUD	No.	\$ AUD
Options				
Balance at beginning of year	20,000,000	217,102	15,143,060	327,990
Unlisted Options issued during the year	34,000,000	9,841	20,000,000	217,102
Lapse of options due to nil exercise	-	-	(15,143,060)	(327,990)
Cancellation of options	(10,000,000) ¹	-	-	-
Total Reserves	44,000,000	226,943	20,000,000	217,102

¹10,000,000 Unlisted Options issued on 24 February 2017 exercisable at \$0.10 on or before 24 February 2022 for corporate advisory consultant services compensation have been cancelled in December 2017.

During the Half Year ended 31 December 2017 the Group issued the following securities:

Date	Details	No.	Option fair value \$ AUD	Total Value \$ AUD
Unlisted Options				
19 Dec 17	Issue of unlisted options per the Group's Annual General meeting resolution 3a-c, as approved by shareholders on 14 th December 2017 (Tranche 1)	14,000,000	0.02668	373,573
19 Dec 17	Issue of unlisted options per the Group's Annual General meeting resolution 3a-c, as approved by shareholders on 14 th December 2017 (Tranche 2)	12,000,000	0.02851	342,154
19 Dec 17	Issue of unlisted options per the Group's Annual General meeting resolution 3a-c, as approved by shareholders on 14 th December 2017 (Tranche 3)	8,000,000	0.02999	239,893
		34,000,000	0.02811	955,620

Note 9 - Loss per Share

Notes to the Consolidated Financial Statements *(Continued...)*

	31 December 2017	31 December 2016
Basic loss per share (cents)	(0.18)	(0.43)
Diluted loss per share (cents)	(0.18)	(0.43)
a) Net loss used in the calculation of basic and diluted loss per share	(782,909)	(1,863,946)
b) Weighted average number of ordinary shares outstanding during the period used in the calculation of basic and diluted loss per share	433,383,224	432,383,224
c) Potential ordinary shares, including options, are excluded from the weighted average number of shares used in the calculations of basic loss per share. Potential ordinary shares are not considered to be dilutive because the conversion of potential ordinary shares into ordinary shares would increase the basic loss per share.		

Note 10 - Events Subsequent to Reporting Date

2017 Research and Development Tax Incentive Refund

On 15th January 2018 the Group has received the Research and Development Tax Incentive refund of \$753,397 in relation to the 30 June 2017 financial year.

Directors' Declaration

The directors declare that:

- (a) in the directors' opinion, there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable; and
- (b) in the directors' opinion, the attached financial statements and notes thereto are in accordance with the Corporations Act 2001, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the consolidated entity.

Signed in accordance with a resolution of the directors made pursuant to s.303(5) of the Corporations Act 2001.



On behalf of the Directors
Mr Leon L'Huillier
Chairman

Melbourne

Dated this the 26th Day of February 2018.

Independent Auditor's Review Report to the members of Respi Limited

We have reviewed the accompanying half-year financial report of Respi Limited which comprises the condensed statement of financial position as at 31 December 2017, and the condensed statement of profit or loss and other comprehensive income, the condensed statement of cash flows and the condensed statement of changes in equity for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the end of the half-year or from time to time during the half-year as set out on pages 7 to 19.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year 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 half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2017 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Respi Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Auditor's Independence Declaration

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Respiri Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Respiri Limited is not in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2017 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the financial report, which describe that the consolidated entity incurred a loss of \$782,909 and experienced net cash outflows from operations of \$499,240 (2016 \$1,771,314) during the half-year ended 31 December 2017. As stated in Note 1, these events or conditions, along with the other matters as set forth, indicate that a material uncertainty exists that may cast significant doubt on the consolidated entity's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU



Anneke Du Toit
Partner
Chartered Accountants
Melbourne, 26 February 2018

Corporate Directory

AUSTRALIAN COMPANY NUMBER (ACN)

009 234 173

Respiri Limited is a Public Company Limited by shares and is domiciled in Australia.

DIRECTORS

Mr Leon L'Huillier	Non-Executive Chairman (Executive Chairman up until 14 December 2017)
Mr John Ribot-de-Bresac	Non-Executive Director
Dr Timothy Oldham	Non-Executive Director (Retired on 14 December 2017)
Mr Mario Francis Gattino	CEO and Executive Director (Appointed on 14 December 2017)

COMPANY SECRETARIES

Ms Jenni Lightowers

PRINCIPAL PLACE OF BUSINESS

Level 10, 446 Collins Street
Melbourne, Victoria
AUSTRALIA 3000
Telephone: + 61 (0)3 9602 3366
Facsimile: + 61 (0)3 9806 3606

REGISTERED OFFICE

Level 10, 446 Collins Street
Melbourne, Victoria
AUSTRALIA 3000
Telephone: + 61 (0)3 9602 3366
Facsimile: + 61 (0)3 9806 3606

SHARE REGISTRY

Security Transfer Registrars Pty Ltd
770 Canning Highway
Applecross, Western Australia, 6153
Australia
Telephone: +61 (0)8 9315 2333
Facsimile: +61 (0)8 9315 2233

SOLICITORS

Francis Abourizk Lightowers (FAL)
Level 14, 14 Williams Street
Melbourne, Victoria, 3000
Australia
Telephone: +61 (0) 3 9642 2252
Facsimile: +61 (0) 3 9642 2272

AUDITORS

Deloitte Touche Tohmatsu
550 Bourke Street
Melbourne, Victoria, 3000
Australia

BANKERS

National Australia Bank (NAB)
330 Collins Street,
Melbourne, Victoria, 3000
Australia

WEBSITES

www.respiri.com
www.airsona.com.au

SECURITIES QUOTED

Australian Securities Exchange
- Ordinary Fully Paid Shares (ASX Code: RSH)