

December 3, 2018



ResMed to Acquire Propeller Health, a Leader in COPD and Asthma Connected Health Solutions, for \$225 Million

- *Establishes ResMed as a leader in COPD patient management, across all stages of the disease*
- *Propeller Health will operate as a standalone business, maintaining its COPD and asthma product solutions, as well as its partnerships with pharmaceutical and healthcare organizations*

SAN DIEGO--(BUSINESS WIRE)-- ResMed (NYSE: RMD) (ASX: RMD), a leader in cloud-connected medical devices and out-of-hospital software-as-a-service (SaaS) business solutions, today announced it has entered a definitive agreement to acquire Propeller Health, a digital therapeutics company providing connected health solutions for people living with chronic obstructive pulmonary disease (COPD) and asthma.

This press release features multimedia. View the full release here:

<https://www.businesswire.com/news/home/20181203005218/en/>

Named a “2017 Most Innovative Company” by Fast Company, Propeller helps people and their doctors better manage their COPD and asthma. Propeller’s digital medicine platform consists of small sensors that easily attach to consumers’ inhalers and pair with a mobile app to automatically track medication use and provide personal feedback and insights. Propeller’s clinically validated solutions have demonstrated a 58 percent improvement in medication adherence, 48 percent increase in symptom-free days and 53 percent reduction in emergency room visits.

Propeller’s ability to support people in stage II and III severity levels of their COPD are complementary to ResMed’s own suite of cloud-connected ventilators for those with stage III and IV COPD, including Astral, Stellar and AirCurve 10 ST-A with iVAPS – plus ResMed’s new portable oxygen concentrator Mobi.

“Acquiring Propeller is a significant step for ResMed toward becoming the global leader in digital health for COPD,” said ResMed CEO Mick Farrell. “By working with Propeller’s existing partners to offer digital solutions for respiratory care pharmaceuticals and building on our proven ability to support digital solutions at scale, we can positively impact the lives of even more of the 380 million people worldwide who are living with this debilitating chronic disease.”

“Helping inhaler users improve adherence and avoid hospitalizations perfectly serves

ResMed's mission: to improve people's quality of life, reduce the impact of chronic disease and save healthcare costs across the out-of-hospital care spectrum," said ResMed Respiratory Care President Richie McHale.

"ResMed shares our belief that connected health solutions create vastly better experiences and outcomes for people with chronic respiratory disease," said David Van Sickle, co-founder and CEO of Propeller. "Joining forces enables us to accelerate the adoption of Propeller's solutions at a global scale, and serve as a powerful platform for a broad set of pharmaceutical and healthcare partners."

Propeller is privately funded, and based in Madison, Wisconsin, with an office in San Francisco. It will continue to operate as a standalone business within ResMed's Respiratory Care portfolio. There will be no immediate changes to management, locations or business processes. Van Sickle will continue in his current role, now reporting to McHale.

Terms of the transaction

Under the agreement terms, ResMed will acquire Propeller for \$225 million, which ResMed will fund primarily with its credit facility. Upon closing, the transaction is expected to have a dilutive impact on ResMed's quarterly non-GAAP earnings per share in the range of \$0.01 to \$0.02 during Fiscal Year 2019.

ResMed and Propeller expect to finalize the deal before the end of the third quarter of ResMed's fiscal year 2019 (March 30, 2019), subject to customary closing conditions, including regulatory approvals.

DLA Piper is serving as ResMed's legal counsel. Allen & Company LLC is serving as exclusive financial advisor to Propeller, and Fenwick & West LLP is serving as its legal counsel.

About ResMed

ResMed (NYSE: RMD) (ASX: RMD), a world-leading connected health company with more than 6 million cloud-connected devices for daily remote patient monitoring, changes lives with every breath. Its award-winning devices and software solutions help treat and manage sleep apnea, chronic obstructive pulmonary disease and other respiratory conditions. Its 6,000-member team strives to improve patients' quality of life, reduce the impact of chronic disease and save healthcare costs in more than 120 countries. [ResMed.com](https://www.resmed.com)

About Propeller Health

Propeller Health is a leading digital therapeutics company dedicated to the development and commercialization of measurably better medicines. Propeller creates products to more effectively treat chronic respiratory disease and improve clinical outcomes for patients through connectivity, analytics, and companion digital experiences. The Propeller platform is used by patients, physicians and healthcare organizations in the United States, Europe and Asia. For more information, visit www.propellerhealth.com.

Forward-looking statements

Statements contained in this news release that are not historical facts are "forward-looking"

statements as contemplated by the Private Securities Litigation Reform Act of 1995. These forward-looking statements – including statements regarding ResMed's projections of future revenue or earnings, expenses, new product development, new product launches and new markets for its products and the integration of acquisitions – are subject to risks and uncertainties that could cause actual results to materially differ from those projected or implied in the forward-looking statements. Additional risks and uncertainties are discussed in ResMed's periodic reports on file with the U.S. Securities & Exchange Commission. ResMed does not undertake to update its forward-looking statements.

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