

26 July 2016

Resonance Health Ltd (ASX:RHT) Appendix 4C – 4th Quarter Cash Flow Report

Resonance Health Limited today released its 4th Quarter Cash Flow Report for the period ending 30 June 2016.

Cash at 30 June 2016 was \$2.512 million; an increase from the previous quarter. A cash flow positive result and the Company continues to actively invest in both Marketing and Research and Development projects.

Resonance Health has driven a dynamic quarter with high activity levels and achievements across all departments; with particular focus on Marketing, Research and Development, and Service Provision. As a result, the financial year has ended on a high, with the largest image analysis volumes to-date for the quarter. Sales growth has been achieved overall, both globally and in our focus markets of the UK and USA.

A strong and successful marketing focus during the quarter included ambitious global profiling at key conferences, continued field marketing activities, and the development of new promotional materials. The marketing spend in the June quarter, as planned, was \$244,000. Key marketing highlights of the quarter include:

- FerriScan and HepaFat-Scan were profiled at eleven key conferences over seven countries including the US, UK, Germany, Denmark, and Spain. The conferences were specifically selected for attendance with a results-focus, in line with the Company's marketing strategy. The line-up included several large international congresses including:
 - European Association for the Study of the Liver (EASL) International Liver Congress
 - International Society of Haematology (ISH) World Congress
 - European Haematology Association (EHA) Congress

Attendance at the conferences was targeted at sustaining existing business, driving immediate referrals, and developing new collaborative opportunities with Key Opinion Leaders and Pharmaceutical organisations. The Resonance Health team also presented in speaking slots at several of the events, which enhanced profiling activities.

- Resonance Health was delighted to receive a number of notable accolades:
 - Chief Scientific Officer, Prof. Tim St Pierre, was awarded the international Panos Englezos Prize by the Thalassaemia International Federation (TIF), in recognition of the contribution FerriScan has made to the lives of Thalassaemia patients worldwide.
 - New guidelines were released in the UK (the UK Standards of Care for Thalassaemia) endorsing and recommending FerriScan as the preferred technique for monitoring and measuring iron overload.
 - A presentation by a world leading haematologist highlighted the benefits of the combined use of HepaFat-Scan and FerriScan to assist in diagnosis of unexplained hyperferritinaemia.

- A new video was launched; “FerriScan – The Gold Standard in Liver Iron Concentration Measurement”. The invaluable educational and promotional video succinctly outlines the benefits of FerriScan and its superiority over alternative methods. It will be utilised at conferences, on the website, and provided to stakeholders and potential customers.
- Resonance Health was engaged by a pharmaceutical company to provide FerriScan and Cardiac T2* services for a clinical trial of a new treatment for patients with haemoglobinopathies. Additional discussions were initiated and actively progressed with pharmaceutical companies for the inclusion of the Company’s services in their studies.
- Market research commenced into potential new markets including unexplained hyperferritinaemia and cancer survivors.

Research and development spend was in line with our planned budget of \$95,000. The focus in the quarter was on the development of potential new products in conjunction with continued expansion of collaborative studies.

- Resonance Health’s strategy includes the collection of data and evidence of effectiveness of HepaFat-Scan through collaborations in various clinical studies. To date, 7 such studies are in various stages of progress and include investigations in non-alcoholic fatty liver disease (NAFLD), liver surgery, hyperferritinaemia, marathon participants, bariatric surgery, and diabetes.
- Investigations continued into potential new product offerings for liver diagnostics as well as in various other organs where the Company has identified an interest as a result of collaborations with leading clinicians.

After a productive and rewarding June quarter momentum is expected to continue in the September quarter with a strong marketing focus on the roll-out to potential new markets and continued relationship building with stakeholders. Research and Development efforts will focus on the expansion of the Company’s product portfolio in addition to efficiency improvements in existing products.

Investors can subscribe to our ASX market releases via our web site:

www.resonancehealth.com/investors/asx-subscribe

For further information please contact:

Resonance Health

Adrian Bowers

Company Secretary

T: +61 8 9286 5300

E: adrianb@resonancehealth.com

Rule 4.7B

Appendix 4C

Quarterly report for entities admitted on the basis of commitments

Introduced 31/3/2000. Amended 30/9/2001

Name of entity

Resonance Health Limited

ABN

96 006 762 492

Quarter ended ("current quarter")

30 June 2016

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date \$A'000
1.1 Receipts from customers	775	2,514
1.2 Payments for		
(a) staff costs	(368)	(1,400)
(b) advertising and marketing	(244)	(717)
(c) research and development	(95)	(429)
(d) leased assets	-	-
(e) other working capital	(69)	(343)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	11	49
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes (paid)/received	100	286
1.7 Other Receipts/Payments		
(a) consulting & professional services	(4)	(31)
(b) statutory & compliance	(27)	(145)
(c) grants	-	-
(d) Due diligence expense	-	-
Net operating cash flows	79	(216)

+ See chapter 19 for defined terms.

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

		Current quarter	Year to date
		\$A'000	\$A'000
1.8	Net operating cash flows (carried forward)	79	(216)
Cash flows related to investing activities			
1.9	Payment for acquisition of:		
	(a) businesses (item 5)	-	-
	(b) equity investments	-	-
	(c) intellectual property	-	-
	(d) physical non-current assets	(20)	(64)
	(e) other non-current assets	-	-
1.10	Proceeds from disposal of:		
	(a) businesses (item 5)	-	-
	(b) equity investments	-	-
	(c) intellectual property	-	-
	(d) physical non-current assets	-	-
	(e) other non-current assets	-	-
1.11	Loans to other entities	-	-
1.12	Loans repaid by other entities	-	-
1.13	Other (Cash introduced on acquisition of controlled entity)	-	-
	Net investing cash flows	(20)	(64)
1.14	Total operating and investing cash flows	59	(280)
Cash flows related to financing activities			
1.15	Proceeds from issues of shares, options, etc.	-	-
1.16	Proceeds from sale of forfeited shares	-	-
1.17	Proceeds from borrowings	-	-
1.18	Repayment of borrowings	-	-
1.19	Dividends paid	-	-
1.20	Other (costs of capital raising)	-	-
	Net financing cash flows	-	-
	Net increase (decrease) in cash held	59	(280)
1.21	Cash at beginning of quarter/year to date	2,464	2,797
1.22	Exchange rate adjustments to item 1.20	(11)	(5)
1.23	Cash at end of quarter	2,512	2,512

+ See chapter 19 for defined terms.

Payments to directors of the entity and associates of the directors

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

		Current quarter \$A'000
1.24	Aggregate amount of payments to the parties included in item 1.2	\$35k
1.25	Aggregate amount of loans to the parties included in item 1.11	-
1.26	Explanation necessary for an understanding of the transactions	
	\$35K – Directors fees	

Non-cash financing and investing activities

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

N/A.

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

N/A

Financing facilities available

Add notes as necessary for an understanding of the position. (See AASB 1026 paragraph 12.2).

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

+ See chapter 19 for defined terms.

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
4.1 Cash on hand and at bank	1,537	1,181
4.2 Deposits at call	-	-
4.3 Bank overdraft	-	-
4.4 Other (provide details) - Term deposits	975	1,265
Total: cash at end of quarter (item 1.22)	2,512	2,446

Acquisitions and disposals of business entities

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

Compliance statement

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

Adrian Bowers
Company Secretary