

23 July 2018

Resonance Health Ltd (ASX: RHT) Appendix 4C – 4th Quarter FY17/18 Quarterly Report

Resonance Health Limited (ASX: RHT) (“Resonance Health”) today released its Appendix 4C – Quarterly Cash Flow report for the period ended 30 June 2018.

Cash receipts from customers for the June quarter were \$847K, an increase of 33% versus the March 2018 quarter and an increase of 59% versus the June quarter for the previous year.

Total revenue for the June quarter was \$766K, an increase of 23% versus the June quarter for the previous year.

Cash on hand as of 30 June 2018 was \$1.55m, an increase of \$72K over the March quarter.

Key Highlights:

- Alliance Partner Agreement signed with Blackford Analysis, granting the right to promote, market, sell, distribute and license Resonance Health’s AI solution FerriSmart® directly and/or via resellers. Blackford Analysis provides services in the United States, Canada, UK, Australia, and New Zealand.
- FerriSmart® has been chosen as an Emerging Innovation Category semi-finalist in the 2018 WA innovator of the Year program. Four category finalists will be announced on Tuesday 31 July 2018.
- FerriSmart®, the Company’s groundbreaking AI solution for the quantification of liver iron concentration (LIC), has now achieved TGA and CE Mark clearance, making it the only regulatory approved artificial intelligence tool for use in liver iron quantification.
- The Company has made significant progress this quarter in the Dragon 2 Study, a trial looking at several parameters including protocols attempting to significantly decrease the acquisition time for the FerriScan® protocol. A shorter acquisition time for the FerriScan® and FerriSmart® services would considerably reduce the time spent by a patient inside an MRI machine whilst also lowering the total costs to the hospital and patient. This quarter, Resonance Health obtained data sets from over 30 trial patients, with each data set containing multiple acquisition protocol profiles of varying scan times. Work has been escalated on shorter acquisition due to extremely promising results to date.
- Resonance Health signed an initial 2-year agency agreement with TeleMedC to distribute Artificial Intelligence (AI) Diabetic Retinopathy (DR) grading tool, named DR Grader. Resonance Health in conjunction with TeleMedC are seeking to provide DR screenings for large populations via primary healthcare providers. Resonance Health has now completed significant market research and is in ongoing discussions with key opinion leaders in Pakistan and Bangladesh.

- Resonance Health has received a new work order from a pharmaceutical company for an approximate sum of AUD \$300,000. The trial will span a three-year period, with full payment contingent upon the successful completion of the clinical trial.
- Work on all three pharmaceutical company contracts announced in the March quarter are now underway. Some of these trials are utilising Resonance Health's recently expanded Contract Research Organisation (CRO) capabilities, with ongoing project management of in-house and outsourced specialist reading services taking place.

Investors can subscribe to our ASX market releases via our website:

www.resonancehealth.com/investors/asx-subscribe

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+Rule 4.7B

Appendix 4C

Quarterly report for entities subject to Listing Rule 4.7B

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10, 01/09/16

Name of entity

Resonance Health Limited	
ABN	Quarter ended (“current quarter”)
96 006 762 492	30 June 2018

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	847	2652
1.2 Payments for		
(a) research and development	(139)	(583)
(b) product manufacturing and operating costs		
(c) advertising and marketing	(141)	(630)
(d) leased assets		
(e) staff costs	(387)	(1609)
(f) administration and corporate costs	(136)	(445)
1.3 Dividends received (see note 3)		
1.4 Interest received	5	15
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Government grants and tax incentives	0	452
1.9 Net cash from / (used in) operating activities	49	(148)

+ See chapter 19 for defined terms.

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12months) \$A'000
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	(1)	(20)
(b) businesses (see item 10)		
(c) investments		
(d) intellectual property		
(e) other non-current assets		
2.2 Proceeds from disposal of:		
(a) property, plant and equipment		
(b) businesses (see item 10)		
(c) investments		
(d) intellectual property		
(e) other non-current assets		
2.3 Cash flows from loans to other entities		
2.4 Dividends received (see note 3)		
2.6 Net cash from / (used in) investing activities	(1)	(20)
3. Cash flows from financing activities		
3.1 Proceeds from issues of shares		
3.2 Proceeds from issue of convertible notes		
3.3 Proceeds from exercise of share options		
3.4 Transaction costs related to issues of shares, convertible notes or options		
3.5 Proceeds from borrowings		
3.6 Repayment of borrowings		
3.7 Transaction costs related to loans and borrowings		

+ See chapter 19 for defined terms.

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12months) \$A'000
3.8	Dividends paid		
3.9	Other (provide details if material)		
3.10	Net cash from / (used in) financing activities	(0)	(0)

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of quarter/year to date	1477	1685
4.2	Net cash from / (used in) operating activities (item 1.9 above)	49	(148)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(1)	(20)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(0)	(0)
4.5	Effect of movement in exchange rates on cash held	24	32
4.6	Cash and cash equivalents at end of quarter	1549	1549

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts		Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	1549	1477
5.2	Call deposits		
5.3	Bank overdrafts		
5.4	Other (provide details)		
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	1549	1477

+ See chapter 19 for defined terms.

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6. Payments to directors of the entity and their associates

Current quarter \$A'000
68

6.1 Aggregate amount of payments to these parties included in item 1.2

6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3

6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

\$48K – Directors fees
\$20K – Consulting fees

7. Payments to related entities of the entity and their associates

Current quarter \$A'000

7.1 Aggregate amount of payments to these parties included in item 1.2

7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3

7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

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+ See chapter 19 for defined terms.

8. Financing facilities available
Add notes as necessary for an understanding of the position

Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000

8.1 Loan facilities

8.2 Credit standby arrangements

8.3 Other (please specify)

8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.

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9. Estimated cash outflows for next quarter	\$A'000
9.1 Research and development	(59)
9.2 Product manufacturing and operating costs	-
9.3 Advertising and marketing	(41)
9.4 Leased assets	-
9.5 Staff costs	(348)
9.6 Administration and corporate costs	(144)
Estimated cash outflows	(592)
9.7 Estimated receivables	635
9.8 Total estimated cash outflows	(43)

+ See chapter 19 for defined terms.

