

29 October 2018

**Resonance Health Ltd (ASX: RHT) Appendix 4C – 1st Quarter FY18/19 Quarterly Report**

Resonance Health Limited (ASX: RHT) (“Resonance Health” or the “Company”) today released its Appendix 4C – Quarterly cash flow report for the period ended 30 September 2018.

**SUMMARY**

Cash receipts from customers for the September 2018 quarter were \$680K, an increase of 11% versus the September 2017 quarter.

Total revenue for the September 2018 quarter was \$855K (unaudited), an increase of 10% versus the June 2018 quarter and an increase of 31% versus the September 2017 quarter.

The Company anticipates receiving an R&D tax incentive rebate in the second quarter of the financial year, as a result of the Company’s ongoing work in R&D activities.

Cash on hand as of 30 September 2018 was \$1.61m, an increase of \$60K over 30 June 2018.

**HIGHLIGHTS**

- Resonance Health executed a new service contract with a US-based clinical research organization for the Company to provide FerriScan® and Cardiac T2\* services for a sponsored clinical trial during the quarter. The clinical trial is expected to commence January 2019 and continue for a period of 28 months. The total dollar value of this contract is US \$260,650 over the duration of the trial. (As the total dollar value of this contract is not material there has not been a separate ASX announcement for this contract.)

Monthly payments to Resonance Health will commence from the end of January 2019 and comprise of two components:

- (i) Fixed Costs: Comprised of clinical trial setup charges, and monthly project and data management fees; and
- (ii) Variable Costs: For the use of Resonance Health products and services (FerriScan®, Cardiac T2\*, FerriScan® Phantom Pack supply and analysis) for the duration of the trial.

Either party may terminate the contract in the event that a material breach is not cured within fifteen days of written notification of such breach. Additionally, the client may also terminate the agreement for convenience fifteen days after giving notice of termination. Should the contract be terminated for convenience, all monies owing to Resonance Health up to the effective date of termination shall be paid within 30 days of receipt of invoice. All agreed close-out costs shall also be paid within 30 days of receipt of invoice.

- Additionally, two multi-year contracts were awarded to Resonance Health in the quarter. (Refer to ASX announcement 23 August 2018: [Resonance Health contracted for two new clinical trials](#)). The total dollar value for the two multi-year contracts is US\$522,400. The Company continues to seek additional

collaboration opportunities with various pharmaceutical and therapeutic companies for the use of Resonance Health services.

- FerriSmart® achieved TGA and CE Mark clearance on Wednesday 11 July 2018, making it the only regulatory approved artificial intelligence tool for use in liver iron quantification. Application for regulatory clearance to the FDA was also submitted on Monday 13 August 2018. FerriSmart® is now commercially available to hospital centres in jurisdictions that recognize CE Mark.
- Alliance Partner Agreement signed with Blackford Analysis on Thursday 5 July 2018. The agreement gives Blackford the right to promote, market, sell, distribute, and license FerriSmart® directly and/or via their resellers. FerriSmart® has now successfully been integrated into the Blackford Platform.
- Product usage volumes increased by 19.4% on the previous year's September quarter.
- An additional 20 hospital centres have been signed during the financial quarter allowing them the use of Resonance Health services in commercial and clinical trial settings.
- Work on the assessment of opportunities to expand core business through acquisitions, channel partners for existing products, or providing distribution services for products that are an excellent fit with the existing Resonance Health core business and distribution network was ongoing during the quarter.

**For further information please contact:**

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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	
<b>ABN</b>	<b>Quarter ended (“current quarter”)</b>
96 006 762 492	30 September 2018

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (3months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	680	680
1.2 Payments for		
(a) research and development	(110)	(110)
(b) product manufacturing and operating costs		
(c) advertising and marketing	(55)	(55)
(d) leased assets		
(e) staff costs	(338)	(338)
(f) administration and corporate costs	(133)	(133)
1.3 Dividends received (see note 3)		
1.4 Interest received	6	6
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
<b>1.9 Net cash from / (used in) operating activities</b>	<b>50</b>	<b>50</b>

+ See chapter 19 for defined terms.

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (3months) \$A'000</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) property, plant and equipment	(1)	(1)
(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)		
<b>2.6 Net cash from / (used in) investing activities</b>	<b>(1)</b>	<b>(1)</b>
<b>3. Cash flows from financing activities</b>		
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.

<b>Consolidated statement of cash flows</b>		<b>Current quarter</b> <b>SA'000</b>	<b>Year to date</b> <b>(3months)</b> <b>SA'000</b>
3.8	Dividends paid		
3.9	Other (provide details if material)		
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>(0)</b>	<b>(0)</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of quarter/year to date	1,549	1,549
4.2	Net cash from / (used in) operating activities (item 1.9 above)	50	50
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(1)	(1)
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	11	11
<b>4.6</b>	<b>Cash and cash equivalents at end of quarter</b>	<b>1,609</b>	<b>1,609</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter</b> <b>SA'000</b>	<b>Previous quarter</b> <b>SA'000</b>
5.1	Bank balances	1,609	1,549
5.2	Call deposits		
5.3	Bank overdrafts		
5.4	Other (provide details)		
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>1,609</b>	<b>1,549</b>

+ See chapter 19 for defined terms.

**6. Payments to directors of the entity and their associates**

<b>Current quarter</b>
<b>\$A'000</b>
60

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

\$45K – Directors fees  
\$15K – Consultancy fees

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

<b>Current quarter</b>
<b>\$A'000</b>

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

+ See chapter 19 for defined terms.

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

<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>

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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<b>9. Estimated cash outflows for next quarter</b>	<b>\$A'000</b>
9.1 Research and development	(100)
9.2 Product manufacturing and operating costs	-
9.3 Advertising and marketing	(61)
9.4 Leased assets	-
9.5 Staff costs	(339)
9.6 Administration and corporate costs	(136)
<b>Estimated cash outflows</b>	<b>(636)</b>
9.7 Estimated receivables	730
<b>9.8 Total estimated cash outflows</b>	<b>(94)</b>

+ See chapter 19 for defined terms.

