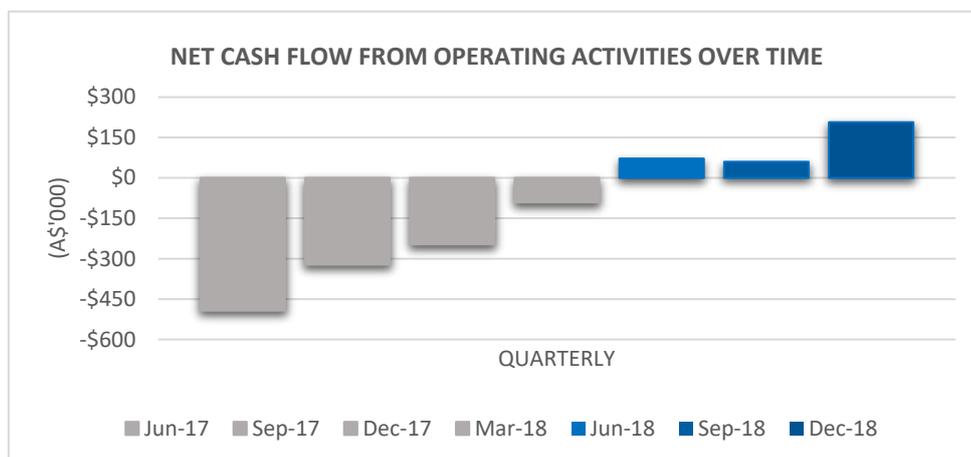
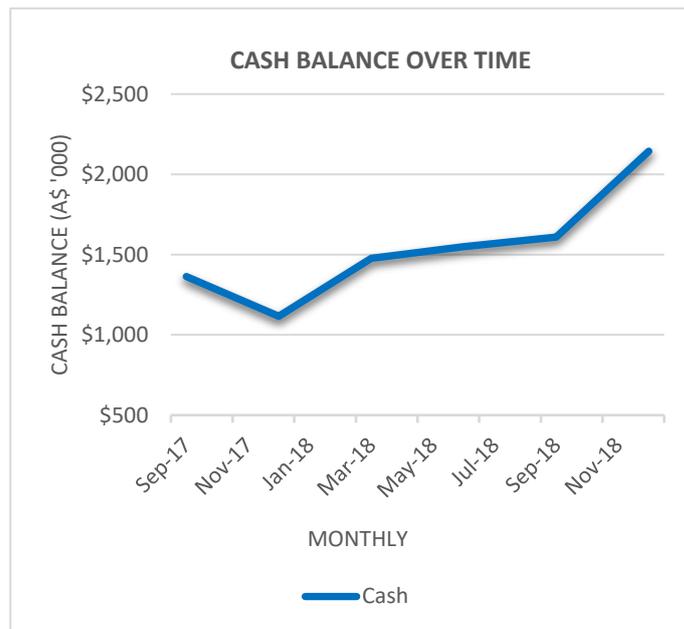
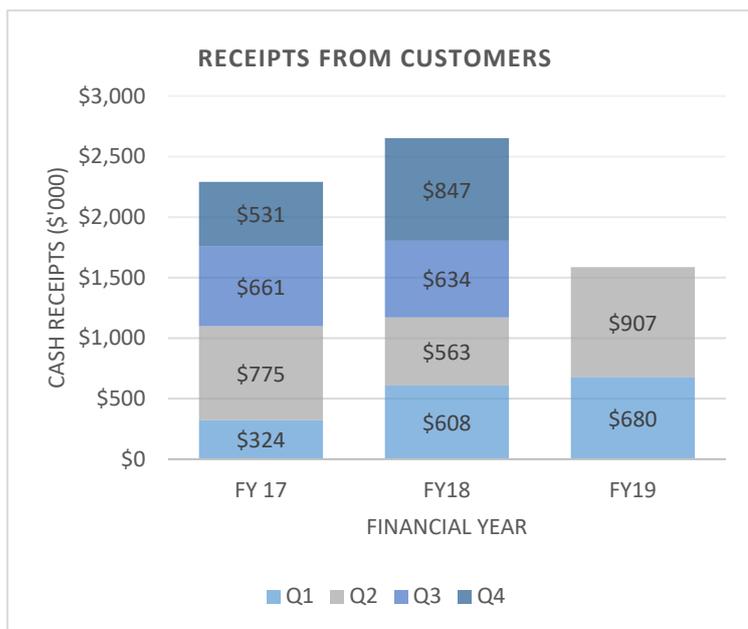


APPENDIX 4C – 2ND QUARTER FY18/19 QUARTERLY REPORT

Resonance Health Limited (ASX: RHT) (“Resonance Health” or “Company”) today released its Appendix 4C – Quarterly Report for the period ended 31 December 2018.

Summary of Key Financials and Business Performance

- Cash receipts from customers for the December 2018 quarter were \$907K, an increase of 25% versus the September 2018 quarter and an increase of 38% versus the December quarter for the previous year.
- Total revenue for the December quarter was \$1,017K (unaudited), an increase of 16% versus the September 2018 quarter and an increase of 30% versus the December quarter for the previous year.
- Cash on hand as of 31 December 2018 was \$2.14m, an increase of \$535K over the September 2018 quarter. The December quarter included an R&D Tax Incentive refund of \$328K for the R&D work performed during the 2017/2018 financial year.



Highlights of December Quarter

- FerriSmart®, the Company's automated AI solution for the measurement of Liver Iron Concentration, received 510(k) regulatory clearance from the US Food and Drug Administration (FDA) this financial quarter. The clearance allows Resonance Health to market FerriSmart® for commercial distribution in the United States of America.
- The Company executed a work order with a NASDAQ-listed pharmaceutical company for the use of FerriScan® and other Company services for their clinical trial. The clinical trial commenced in January 2019 and is expected to continue for a period of 70 months. The total dollar value of this Work Order for the duration of the trial is US\$747,550.
- An additional 25 hospital and/or MRI centres signed service contracts with the Company for the use of Company products, allowing them to use of Resonance Health services for clinical purposes or for clinical trials.
- To complement the services Resonance Health is supplying to three pharmaceutical and therapeutic companies in their clinical trials, the Company has developed a Cardiac T2* phantom. The Cardiac T2* phantom is placed in an MRI machine and scanned to verify the Cardiac T2* scanning sequence in lieu of a test subject (patient/volunteer). It is planned that the Cardiac T2* phantoms will be provided annually for the duration of the three previously announced clinical trials. Subject to full completion of these trials, the total dollar value of the Cardiac T2* phantoms will be US\$108,600.
- The FerriScan® voucher program was renewed by a pharmaceutical client of the Company for the countries of South Africa and Taiwan for an additional year, for a total dollar value of US\$27,800. Vouchers must be redeemed within a 1 year period, and are used to provide FerriScan® and Cardiac T2* services to patients.
- The Company received an R&D Tax Incentive refund of A\$328,555 in the December quarter for work performed in the 2017/2018 financial year. The incentive refund relates to Resonance Health's ongoing R&D in liver and metabolic disease, improvements to core services, and the development of FerriSmart®.

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	
ABN	Quarter ended (“current quarter”)
96 006 762 492	31 December 2018

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	907	1587
1.2 Payments for		
(a) research and development	(169)	(279)
(b) product manufacturing and operating costs		
(c) advertising and marketing	(86)	(141)
(d) leased assets		
(e) staff costs	(363)	(701)
(f) administration and corporate costs	(88)	(221)
1.3 Dividends received (see note 3)		
1.4 Interest received	5	11
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Government grants and tax incentives	328	328
1.9 Net cash from / (used in) operating activities	534	584

+ See chapter 19 for defined terms.

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6months) \$A'000
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	(0)	(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)		
2.6 Net cash from / (used in) investing activities	(0)	(1)
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 (6months) \$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	1609	1549
4.2	Net cash from / (used in) operating activities (item 1.9 above)	534	584
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(0)	(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	1	12
4.6	Cash and cash equivalents at end of quarter	2144	2144

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	2144	1609
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)	2144	1609

+ See chapter 19 for defined terms.

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6. Payments to directors of the entity and their associates

Current quarter \$A'000
55

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
\$10K – Consultancy 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 <i>Add notes as necessary for an understanding of the position</i>	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	(153)
9.2 Product manufacturing and operating costs	-
9.3 Advertising and marketing	(84)
9.4 Leased assets	-
9.5 Staff costs	(351)
9.6 Administration and corporate costs	(89)
Estimated cash outflows	(677)
9.7 Estimated receivables	810
9.8 Total estimated cash outflows	133

+ See chapter 19 for defined terms.

