

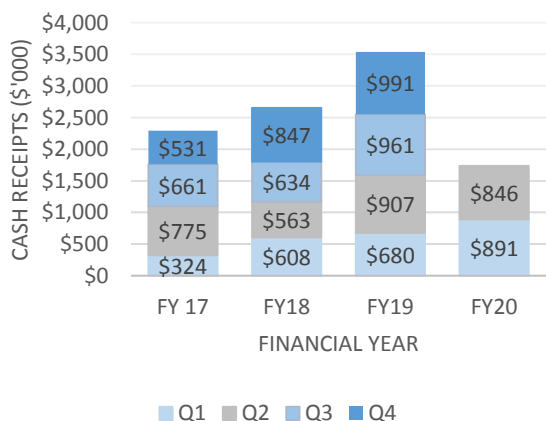
APPENDIX 4C – 2ND QUARTER FY19/20 QUARTERLY REPORT

Resonance Health Limited (ASX: RHT) (“Resonance Health” or “Company”) today releases its Appendix 4C – Quarterly Report for the period ended 31 December 2019.

Summary of Key Financials and Business Performance

- Work commenced on dossier preparation for FDA regulatory clearance for the Company’s new Artificial Intelligence tool for the automated assessment of liver fat. The Company intends to submit its dossier in the March 2020 quarter. The new AI tool provides a fully automated solution for the quantification of liver fat and will be suitable for the diagnosis and treatment of Non-alcoholic Fatty Liver Disease (NAFLD) and Nonalcoholic Steatohepatitis (NASH). NAFLD reportedly affects up to 30% of the global population of 7.6 billion. Of those affected people it is estimated that around 25% will develop NASH, and around 5% will develop cirrhosis. By 2020 it is predicted that NASH will be the leading cause of liver transplants. The new AI tool may be integrated directly into existing radiology workflows (see ASX announcement dated 21 November 2019, “New artificial intelligence tool for automated assessment of liver fat”).
- Executed Solution Partner Agreement with Siemens Healthcare GmbH for the distribution of the Company’s FerriSmart product through the Siemens Digital Marketplace (see ASX announcement dated 28 November 2019).
- Executed a new contract to provide services to a pharmaceutical company for their new clinical trial. Additionally, an amendment has been executed to extend an existing service contract with a pharmaceutical company. The total aggregated sum of these is USD \$327,700, subject to full completion of these trials. (The contract and amendment were not announced as individual contract sums were not material.)
- FerriSmart was available for viewing via our channel partners at their display booths (Siemens, Blackford, EnvoyAI) at the Radiology Society of North America (RSNA) conference in December 2019.
- Cash on hand as of 31 December 2019 was \$3.38m, an increase of \$135K over the September 2019 quarter.
- Cash receipts from customers for the December 2019 quarter were \$846K.
- Total revenue for the December 2019 quarter was \$938K (unaudited).
- Received an R&D Tax Incentive refund of \$240K on 10 January 2020 for eligible R&D work performed during FY 18/19.

RECEIPT FROM CUSTOMERS



CASH BALANCE OVER TIME



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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

96 006 762 492

Quarter ended ("current quarter")

31 December 2019

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	846	1737
1.2 Payments for		
(a) research and development	(97)	(215)
(b) product manufacturing and operating costs		
(c) advertising and marketing	(73)	(124)
(d) leased assets		
(e) staff costs	(446)	(886)
(f) administration and corporate costs	(123)	(277)
1.3 Dividends received (see note 3)		
1.4 Interest received	8	35
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Government grants and tax incentives		
1.9 Net cash from / (used in) operating activities	115	270

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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)	(0)
(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)	(0)
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	33	33
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		

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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	33	33

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	3252	3081
4.2 Net cash from / (used in) operating activities (item 1.9 above)	115	270
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(0)	(0)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	33	33
4.5 Effect of movement in exchange rates on cash held	(13)	3
4.6 Cash and cash equivalents at end of quarter	3387	3387

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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	3387	3252
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)	3387	3252

6. Payments to directors of the entity and their associates	Current quarter \$A'000
6.1 Aggregate amount of payments to these parties included in item 1.2	83
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 \$38K – Consultancy fees	

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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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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	(129)
9.2	Product manufacturing and operating costs	-
9.3	Advertising and marketing	(59)
9.4	Leased assets	-
9.5	Staff costs	(425)
9.6	Administration and corporate costs	(105)
	Estimated cash outflows	(718)
9.7	Estimated receivables	870
9.8	Total estimated cash inflows	152

10.	Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)	Acquisitions	Disposals
10.1	Name of entity		
10.2	Place of incorporation or registration		
10.3	Consideration for acquisition or disposal		
10.4	Total net assets		
10.5	Nature of business		

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here: **Agha Shahzad Pervez**
(Company secretary)

Date: 29 January 2020

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows*

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apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.

3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.

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