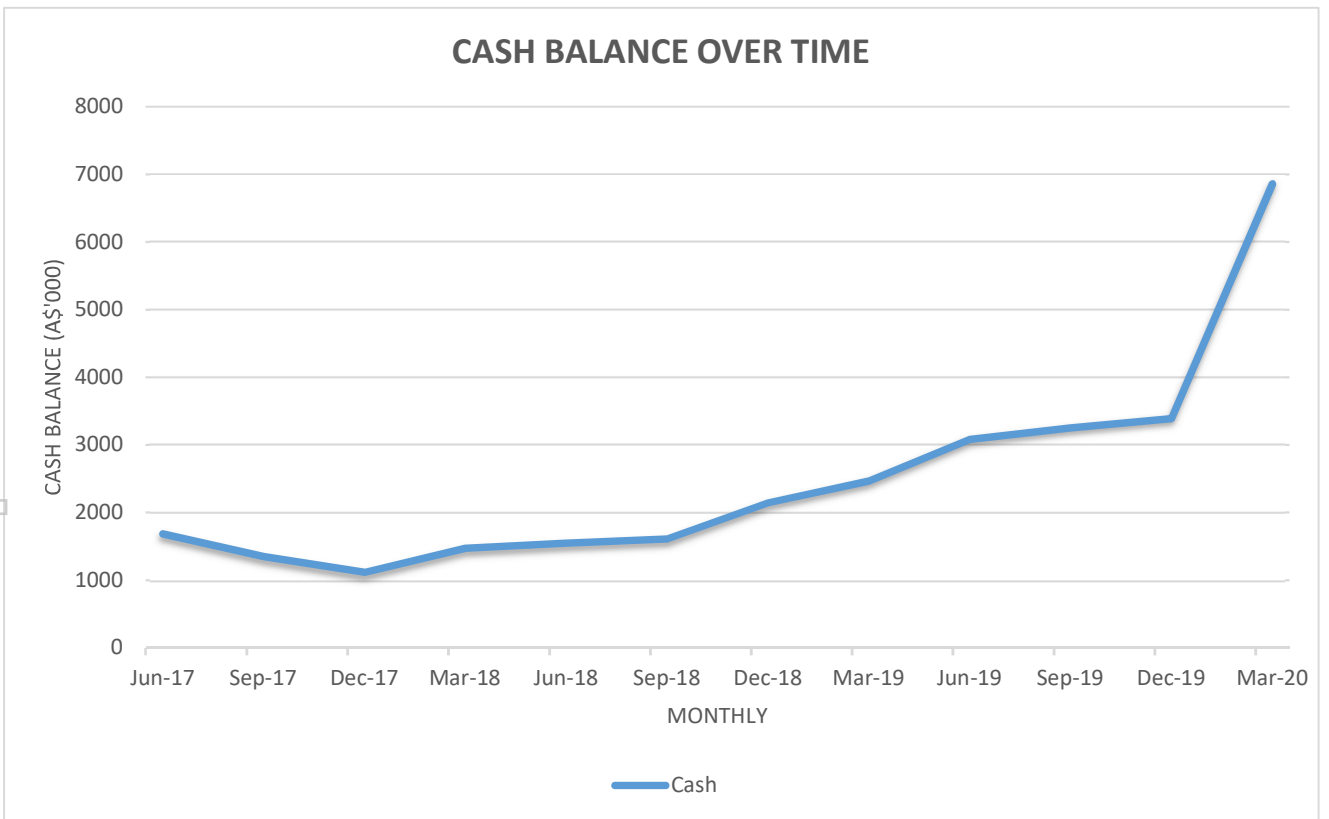
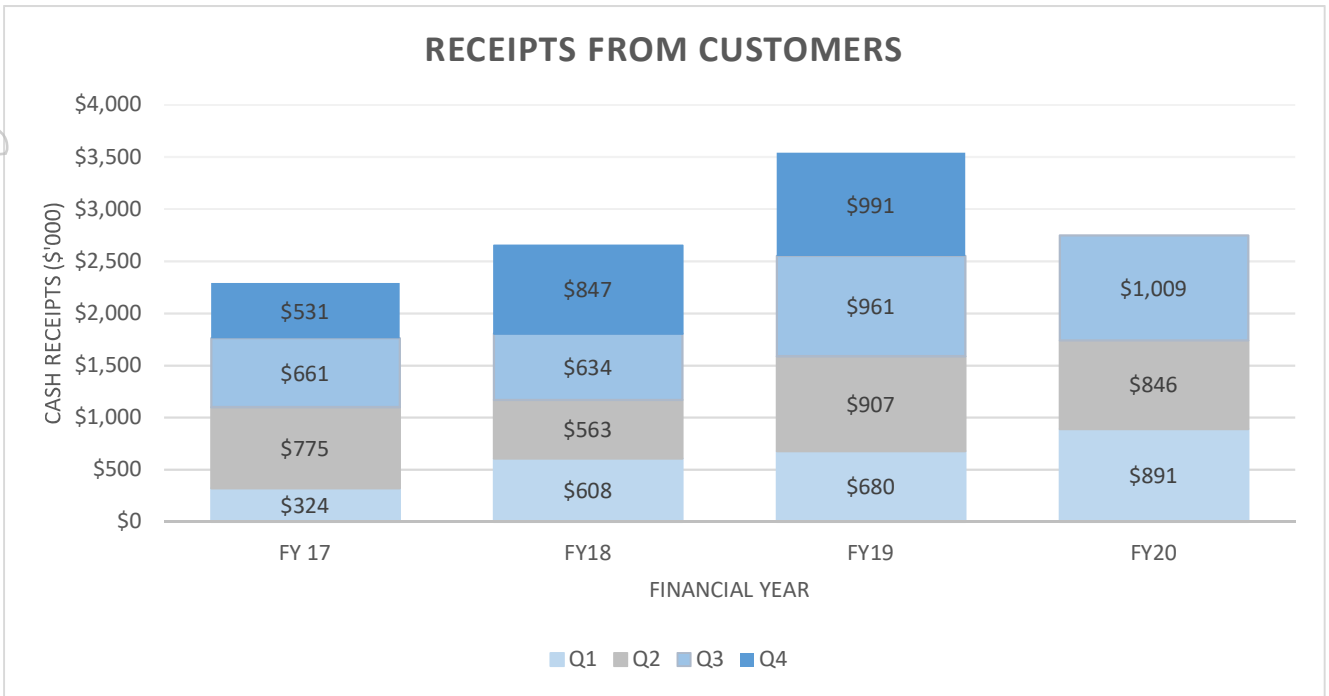

APPENDIX 4C – 3RD QUARTER FY19/20 QUARTERLY REPORT

Resonance Health Limited (ASX: RHT) (“Resonance Health” or “Company”) today releases its Appendix 4C – Quarterly Report for the period ended 31 March 2020.

Summary of Key Financials and Business Performance for the March quarter

- Total revenue for the March quarter was \$1,165K (*unaudited*), an increase of 20% versus the December quarter and an increase of 19% versus the March quarter in the previous year.
- Cash on hand as of 31 March 2020 was \$6.86m, an increase of \$3.5m over the December 2019 quarter. The March quarter included an R&D Tax Incentive refund of \$240K and a capital raise of \$2.75m via the utilization of a controlled placement agreement (*see ASX announcement dated 19 March 2020*). The Company also made a foreign currency gain of \$68K during the quarter due to the lower Australian dollar over the period.
- Cash receipts from customers for the March 2020 quarter were \$1,009K, an increase of 16% versus December quarter and an increase of 5% versus the March quarter in the previous year.
- The Company has a number of workstreams, one of which is the routine commercial use of its FerriScan® product. This workstream has recently been impacted by the restrictions in place due to COVID-19 and volume for the quarter was 1.7% lower than the March quarter in the previous year.
- The Company has existing contracts with a number of pharma clients and is continuing to provide products and services for their clinical trials. Additionally, the Company executed amendments to several existing pharma clinical trial contracts during the March quarter, the aggregated sum of these is approximately USD \$493,700, subject to full completion of these trials. These amendments were not announced individually as individual amendment sums are not material.
- The Company executed a Medical Device Licence and Royalty Agreement with 3DR Labs II, LLC (‘3DR’), the largest 3D medical post-processing laboratory in the United States. The Licence grants 3DR a non-perpetual, revocable licence to sell to their customers on a pay-per-use basis the measurement reports generated by the Company’s artificial intelligence product FerriSmart, and to receive a royalty from each sale. (See ASX announcement dated 4 February 2020.)
- The Company has submitted a dossier to the U.S. Food & Drug Administration (“FDA”) for regulatory clearance of a new artificial intelligence (“AI”) tool, HepaFat-AI, that fully automates the assessment of liver fat (*see ASX announcement dated 6 April 2020*). The Company has commenced work to seek Australian TGA and European CE Mark regulatory clearances for the tool.
- Resonance Health is investing in several R&D projects related to imaging, molecular medicine, and AI. Due to the current COVID-19 pandemic, access to some laboratories and hospitals has been limited by government requirements in some jurisdictions resulting in a pause of two of the R&D projects, however the remainder of the R&D projects remain on track. It is anticipated that once government restrictions are lifted the paused projects will continue.

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Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity

Resonance Health Limited

ABN

96 006 762 492

Quarter ended ("current quarter")

31 March 2020

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	1009	2746
1.2 Payments for		
(a) research and development	(90)	(305)
(b) product manufacturing and operating costs		
(c) advertising and marketing	(45)	(169)
(d) leased assets		
(e) staff costs	(358)	(1244)
(f) administration and corporate costs	(128)	(405)
1.3 Dividends received (see note 3)		
1.4 Interest received	9	44
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Government grants and tax incentives	240	240
1.8 Other (provide details if material)		
1.9 Net cash from / (used in) operating activities	637	907
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) entities		
(b) businesses		
(c) property, plant and equipment	(2)	(2)
(d) investments		
(e) intellectual property		
(f) other non-current assets		

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
2.2	Proceeds from disposal of:		
	(a) entities		
	(b) businesses		
	(c) property, plant and equipment		
	(d) investments		
	(e) intellectual property		
	(f) other non-current assets		
2.3	Cash flows from loans to other entities		
2.4	Dividends received (see note 3)		
2.5	Other (provide details if material)		
2.6	Net cash from / (used in) investing activities	(2)	(2)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	2750	2750
3.2	Proceeds from issue of convertible debt securities		
3.3	Proceeds from exercise of options	19	52
3.4	Transaction costs related to issues of equity securities or convertible debt securities		
3.5	Proceeds from borrowings		
3.6	Repayment of borrowings		
3.7	Transaction costs related to loans and borrowings		
3.8	Dividends paid		
3.9	Other (provide details if material)		
3.10	Net cash from / (used in) financing activities	2769	2802

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	3387	3081
4.2	Net cash from / (used in) operating activities (item 1.9 above)	637	907
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(2)	(2)

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Quarterly cash flow report for entities subject to Listing Rule 4.7B

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	2769	2802
4.5	Effect of movement in exchange rates on cash held	68	71
4.6	Cash and cash equivalents at end of period	6859	6859

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	6859	3387
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)	6859	3387

**6. Payments to related parties of the entity and their
associates**

6.1 Aggregate amount of payments to related parties and their
associates included in item 1

6.2 Aggregate amount of payments to related parties and their
associates included in item 2

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

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of,
and an explanation for, such payments

**Current quarter
\$A'000**

60

7. Financing facilities

Note: the term "facility" includes all forms of financing arrangements available to the entity.

Add notes as necessary for an understanding of the sources of finance available to the entity.

- 7.1 Loan facilities
- 7.2 Credit standby arrangements
- 7.3 Other (please specify)
- 7.4 **Total financing facilities**

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

7.5 Unused financing facilities available at quarter end

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

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8. Estimated cash available for future operating activities**\$A'000**

8.1	Net cash from / (used in) operating activities (Item 1.9)	637
8.2	Cash and cash equivalents at quarter end (Item 4.6)	6859
8.3	Unused finance facilities available at quarter end (Item 7.5)	-
8.4	Total available funding (Item 8.2 + Item 8.3)	6859
8.5	Estimated quarters of funding available (Item 8.4 divided by Item 8.1)	N/A

- 8.6 If Item 8.5 is less than 2 quarters, please provide answers to the following questions:

1. Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer: N/A

2. Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer:

3. Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer:

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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.

Date: 28 April 2020

Authorised by: The Board of Directors of Resonance Health Limited

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow 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.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.