



ASX Announcement

4C Quarterly report for the period to 30th April 2020

Highlights and business activity review for Quantum Health Group Limited for the quarter:

Carestream Philippines

Quantum Health Group Limited (Quantum) completed the acquisition of all the issued shares in Carestream Healthcare Philippines Inc. on the 2nd Jan 2020. Under the terms of the acquisition agreement Quantum paid the Carestream Group a total amount of US\$1,614,479 being US\$ 220,000 on 2 January 2020 and US\$1,394,479 on 17th January. Quantum has successfully commenced operating the business and is seeking new distribution opportunities in Philippines to build on this business.

Carestream Australia and New Zealand

Quantum has commenced sales of Carestream digital radiography equipment post the acquisition of Carestream Health Service businesses in Australia and New Zealand and the subsequent agreement to distribute Carestream's equipment in the region. Quantum has been successful in securing over 2.5 Million dollars of Carestream and Micro-X's digital radiography equipment orders as part of government initiatives to support the Covid-19 pandemic.



Micro-X Nano
Digital Radiography System

About Quantum Healthcare Limited

Quantum Health Group Limited (ASX:QTM) is a leading independent Healthcare company operating throughout Asia. Quantum specialise in the distribution of state of the art medical imaging, patient treatment, hospital water sterilisation and equipment services in Radiology, Oncology and Women's Healthcare. Quantum's head office is located in Sydney, Australia with direct subsidiary businesses operating in Thailand, South Korea, Philippines, Vietnam, NZ and China. Quantum is the authorised distribution partner for leading global healthcare manufacturers including Carestream, Philips Healthcare, Samsung, IBA and Accuray. Quantum provides first class customer service and clinical support for a large installed base of medical equipment in hospitals, universities and private clinics across Asia.

Appendix 4C

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

Name of entity

Quantum Health Group Limited

ABN

19 003 677 245

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	13,989	42,353
1.2 Payments for		
(a) research and development	(20)	(49)
(b) product manufacturing and operating costs	(8,517)	(22,955)
(c) advertising and marketing	(243)	(697)
(d) leased assets	(178)	(638)
(e) staff costs	(2,404)	(9,236)
(f) administration and corporate costs	(210)	(2,111)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	7	18
1.5 Interest and other costs of finance paid	(49)	(168)
1.6 Income taxes paid	(23)	(132)
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	2,352	6,385
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) entities	(384)	(384)
(b) businesses	-	(1,208)

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
(c) property, plant and equipment	(325)	(714)
(d) investments	(459)	(636)
(e) intellectual property	-	-
(f) other non-current assets	(71)	(844)
2.2 Proceeds from disposal of:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	24	155
(d) investments	(30)	612
(e) intellectual property	-	-
(f) other non-current assets	(35)	6
2.3 Cash flows from loans to other entities	(120)	(261)
2.4 Dividends received (see note 3)	-	-
2.5 Other (provide details if material)	-	-
2.6 Net cash from / (used in) investing activities	(1,400)	(3,274)

3. Cash flows from financing activities		
3.1 Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2 Proceeds from issue of convertible debt securities	-	-
3.3 Proceeds from exercise of options	-	-
3.4 Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5 Proceeds from borrowings	511	513
3.6 Repayment of borrowings	59	(769)
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	570	(256)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	5,660	4,327
4.2	Net cash from / (used in) operating activities (item 1.9 above)	2,352	6,385
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(1,400)	(3,274)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	570	(256)
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	7,182	7,182

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	7,182	5,660
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)	7,182	5,660

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

Current quarter \$A'000
48
-

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

Payments comprised:

- Directors' remuneration

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.

8. Estimated cash available for future operating activities

\$A'000

8.1	Net cash from / (used in) operating activities (Item 1.9)	2,352
8.2	Cash and cash equivalents at quarter end (Item 4.6)	7,182
8.3	Unused finance facilities available at quarter end (Item 7.5)	-
8.4	Total available funding (Item 8.2 + Item 8.3)	7,182
8.5	Estimated quarters of funding available (Item 8.4 divided by Item 8.1)	3

- 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: Not applicable

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: Not applicable

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: Not applicable

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: 30 April 2020

Authorised by:



(By the board – see note 4)

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.