ASX Announcement – 31 January 2023

QUARTERLY ACTIVITIES & CASHFLOW REPORT

Highlights

- Provisional patent application lodged for an invention to detect and assess fibrosis of the liver and potentially other organs. Application based on initial proof of concept results utilising a novel non-invasive approach devised by a team led by Resonance Health's Chief Scientific Officer, Dr. Wenjie Pang.
- Initial proof of concept shows strong predictive capability to identify liver fibrosis, using standard MRI scanners and acquisition sequences. Results are a culmination of a decades-long pursuit by the Company to conceive a solution potentially capable of replacing liver biopsy as the gold standard.
- US FDA has identified the lack of validated non-invasive liver fibrosis biomarkers and radiological modalities as a key unresolved challenge, especially in clinical trials for drug development. Chronic liver disease is a leading cause of death and morbidity worldwide with early identification of liver fibrosis essential to managing disease.
- Resonance Health is now undertaking an accelerated (6-12 month) extended proof of concept fibrosis study on an expanded patient population. Engagement with globally recognised clinical key opinion leaders has commenced with all contacted confirming their interest in collaborating on the invention.
- Resonance Clinical was launched to capitalise on the rapidly expanding global clinical trial marketplace, with expanded service capabilities being developed for provision to new and existing pharmaceutical customers, in clinical trial management (CRO) and wet-lab service provision. Two new clinical trials were contracted with new pharmaceutical customers in the quarter, for the provision of Company services.
- Laboratories at 2 separate locations were consolidated into new single dedicated laboratory with fit-out of new lab largely completed during the quarter incurring one-off costs in property plant + equipment.
- Sales volumes exceeded the Sept 2022 quarter and the corresponding Dec 2021, 2020, and 2019 quarters, with increased volumes driven by continued uptake of the recently available 3T scanner capability and gradual acceptance and adoption of AI devices. 81 new MRI scanners (3T + 1.5T) have been onboarded from new and existing customers since FerriScan® was made available on 3T machines.

Resonance Health Ltd (ASX: RHT) ("**Resonance Health**" or "**Company**") is pleased to release its Appendix 4C and Quarterly Activities & Cashflow Report for the quarter ended 31 December 2022.

MRI liver fibrosis invention – patent application lodged, proof of concept progressing

Chronic liver disease - a global epidemic

Chronic liver disease is a leading cause of death worldwide, incorporating a wide range of prevalent human diseases including non-alcoholic fatty liver disease ("**NAFLD**") and non-alcoholic steatohepatitis ("**NASH"**). These two diseases are estimated to affect one-quarter of the world's population, or approximately 2 billion people.[1] If the prevalence of NAFLD continues to rise in line with the global obesity epidemic, it is predicted that the healthcare burden of NAFLD over the next 10 years could increase to $1.005 trillion in the USA alone.[2]

Additionally, viral hepatitis, which is mostly incurable and imparts a high disease burden globally, is estimated to affect 257 million and 71 million people living with hepatitis B virus ("**HBV**") and hepatitis C virus ("**HCV**") infections respectively.[3,4]

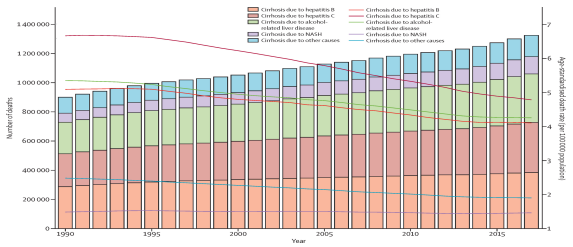
Despite the significant disease burden, liver disease remains on an upward trajectory with clinicians particularly citing an explosion of fatty liver-related health complications globally and lamenting the lack of validated techniques to enable earlier intervention.[5]

Liver fibrosis and chronic liver disease

Liver fibrosis, or scarring, occurs in and is caused by most types of chronic liver disease. Liver fibrosis is typically progressive and insidious in nature and may not cause obvious symptoms early in its onset.

Once fibrosis progresses to cirrhosis (an advanced form of liver fibrosis) it typically gives rise to greatly diminished liver function with major associated negative health impacts and, ultimately, organ failure that requires a liver transplant as the only available treatment. Liver cirrhosis is a main cause of death worldwide, and a leading cause of disability -adjusted life years.[6]

Number of deaths and age-standardised death rates at the global level by cause of cirrhosis, 1990–2017



Source: The global, regional, and national burden of cirrhosis by cause in 195 countries and territories, 1990–2017: a systematic analysis for the Global Burden of Disease Study 2017, *Lancet Gastroenterol Hepatol* 2020; 5: 245–66

A growing body of clinical evidence indicates that liver fibrosis is reversable after eradication of the underlying causal liver disease, and it further suggests that early detection and assessment of liver fibrosis is essential to reversing its progression.

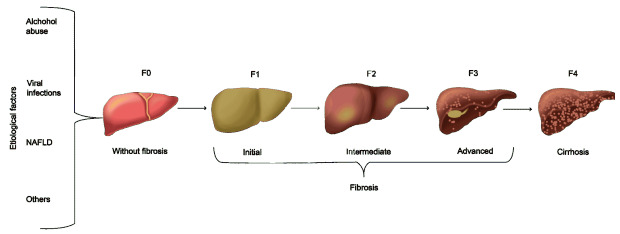
The development of drugs that seek to address chronic liver diseases such as NASH and NAFLD and to reverse the associated fibrosis is a highly active area of research by global pharmaceutical companies. Accurate assessment of liver fibrosis is a critical endpoint for such trials to assess the performance of their drugs.

Assessment of liver fibrosis – biopsy the current gold-standard

Fibrosis staging is reported using established and standardised scoring systems that reflect the expansion of fibrotic tissue across the liver architecture - such as the METAVIR scoring system which reports the progression of the disease based on staging from F1 (no fibrosis) through to F4 (cirrhosis).

The current global gold-standard for determining the presence of liver fibrosis and its progression is by liver biopsy which involves the collection of liver tissue sample(s) from the patient using a needle, which is then analysed by a pathologist.

Fibrosis Staging – METAVIR scoring system stages



Liver biopsies are not trivial procedures; they are invasive and can give rise to significant side effects including pain, bleeding, infection, hospitalisation, and even death. The biopsy procedure is slow and expensive as it requires the involvement of multiple medical specialists and facilities.

Liver biopsies are also subject to significant sampling error because they only assess a minute fraction of the liver organ and are unavailable to patients with various comorbidity factors including blood clotting conditions and infections.

Demand for non-invasive approaches for clinical trials

For pharmaceutical companies undertaking clinical trials, the invasive and risky nature of liver biopsies presents a significant obstacle to obtaining ethics and regulatory approval for the trials, particularly for early-stage trials.

Regulators including the United States Federal Drug Administration ("**FDA**") have been at the forefront of advocating for the use of non-invasive assessment techniques for liver fibrosis over invasive approaches (including liver biopsy) and have actively supported the development of new and improved non-invasive techniques. The FDA has highlighted that the lack of validated non-invasive liver fibrosis assessment methods remains an unmet challenge including for the development of a range of drugs for NASH and NAFLD.[7]

Current non-invasive approaches to liver fibrosis

Several techniques exist that purport to indicate the presence of liver fibrosis utilising non-invasive or less-invasive procedures than a liver biopsy. These include serum blood tests, ultrasound, and magnetic resonance elastography ("**MRE**") methods and quantitative MRI methods. While these methods may provide information on the presence of liver fibrosis (particularly advanced fibrosis), they have various unresolved issues inhibiting the accurate and reliable detection of fibrosis. In addition, these techniques are typically confounded by the presence of other factors in the liver including inflammation, iron level (or content), subcutaneous and liver fats, ascites, and others.

Resonance Health's initial proof of concept success

Resonance Health has completed an initial proof-of-concept study of a novel non-invasive imaging-analysis technique to identify and assess liver fibrosis ("**Initial Proof of Concept**"). The Initial Proof of Concept study, which was conducted on a patient and control group of 30 subjects, indicates a strong capability to predict the absolute presence of liver fibrosis within the study population and it forms the basis of the invention which is the subject of the provisional patent application (see ASX release 21 December 2022).

The Initial Proof of Concept and the provisional patent application is based on a novel approach devised and developed by a team led by Chief Scientific Officer, Dr. Wenjie Pang. Dr. Pang is a PhD physicist and has worked on non-invasive liver imaging technologies throughout his career including FerriScan® which successfully obtained regulatory clearances and is widely published, and now regarded by numerous clinicians as the global gold standard for liver-iron-concentration assessment.

Next steps & KOL engagement

Based on the extremely promising Initial Proof of Concept study results Resonance Health is undertaking an accelerated extended proof-of-concept study with an expanded study population ("**Extended Proof of Concept**"). Engagement with globally recognised clinical key opinion leaders ("**KOLs**") has commenced, with all those contacted expressing strong interest in collaborating on developing the new technology.

Extended Proof of Concept

The objectives of the Extended Proof of Concept are to confirm the results of the Initial Proof of Concept, to further refine the study predictive models and to further assess the performance of predictive models and their capacity to distinguish between differing fibrosis grades (see diagram above). The duration of the Extended Proof of Concept is estimated to be 6-12 months. The Company is formally engaging clinical KOLs to secure the study subjects required for the Extended Proof of Concept.

Subject to the outcomes of the Extended Proof of Concept, the Company will collaborate with a much larger group of clinical KOLs, and pharmaceutical companies, who have expressed strong interest in the results of the Initial Proof of Concept and a desire to participate in collaborative opportunities should they arise. The

Company also intends to engage with global regulators including the FDA as the Extended Proof of Concept progresses.

Launch of Resonance Clinical

The Resonance Clinical initiative was formally launched at the national/ international AusBiotech conference on 26-28 October 2022, during which The Hon. Minister Stephen Dawson MLC, whose portfolio includes innovation and medical research, visited the Resonance Clinical booth.

A new BD initiative

The initiative is focussed on better commercial outcomes and higher returns through enhanced and expanded service provision to pharmaceutical companies engaged in clinical trials (see ASX release 25 October 2022). It aims to capitalise on the lucrative and rapidly expanding global clinical trial marketplace, especially for new drugs and therapies being developed to treat liver diseases including iron-overload disorders and NAFLD/NASH which collectively are estimated to affect up to 30% of the global population.[8]

Expanded capabilities

Resonance Clinical builds on Resonance Health's decades-long experience providing high-quality validated image-analysis and clinical trial services to pharma/biotech and their clinical trial management partners. It is intended to provide full CRO services, as well as expanded imaging CRO and central laboratory CRO services to existing, as well as new pharmaceutical and biotech customers. This initiative, led by Program Director & Chief Scientist-Molecular Medicine, Dr Sherif Boulos, draws on expertise from across the Resonance Health group. These existing capabilities include PhD scientists (with biomedical and physics training), clinical researchers, trained medical laboratory scientists and a highly experienced Quality Assurance team.

Consolidation of leased lab spaces

As part of this initiative, equipment and personnel have been relocated from Murdoch University and UWA into a larger, purpose designed, dedicated Resonance Clinical laboratory at Bentley Tech Park in Perth. The fit-out and equipping of the new lab was largely completed during the quarter with a range of new equipment purchased and now in the process of being installed and validated for use.

This new lab will deliver cost-savings, provide greater autonomy, versatility and enhanced long-term security, and importantly, allow Resonance Clinical to offer large numbers of high-value clinical assessments for drug trials. Previously, the Company's commercially available MRI phantom products, used to calibrate MRI scanners, were manufactured at UWA and the molecular R&D used leased lab space at Murdoch University.

Pipeline of BD targets

There is a strong pipeline of potential clinical trials being targeted, and the Company is in discussions with a variety of potential collaborators and customers regarding the enhanced service offering, including existing customers already utilising the Company's services. Clinical trial service provision to trials aimed at new treatments for NASH and NAFLD is particularly prospective. Fatty-liver disease is a major global health issue, with pharmaceutical companies seeking to develop effective drug treatments for the disease. To learn more about Resonance Clinical, please visit www.resonanceclinical.com.

Continued demand for clinical trial services

Resonance Health is engaged in multiple clinical trials, providing imaging assessment services to pharma companies undertaking trials in the Company's two core disease markets of iron-overload and fatty liver

disease. Over the past year the Company secured its first clinical trial service contracts in each of the very large and underserviced markets of China and India and Resonance Health is aiming to grow its service provision in these large, new-to-the-Company, markets.

Approximately 38% of Resonance Health's revenue is derived from providing analysis and related services to pharmaceutical companies undertaking clinical trials for treatments of iron-overload and liver-fat related disorders. Resonance Health has an active business development pipeline of further clinical trial prospects that it continues to pursue, which has become more focussed with the launch of Resonance Clinical.

Resonance Health contracted for two new clinical trials

During the Quarter, Resonance Health contracted with two new pharmaceutical customers to provide its FerriScan®, Cardiac-T2*, and related analysis services, for their clinical trials, further increasing the number of clinical trials currently contracted and being serviced by Resonance Health. Each trial is expected to have a duration of 28 months (see ASX release, 11 November 2022). Both clinical trials relate to the development of new drugs and/or therapies to address iron-overload disorders.

First new clinical trial contract details

The first clinical trial contract is valued at up to EUR €860K and accounts for most of the combined trial value of EUR €1.0M. This trial has a duration of 28 months and includes recurring monthly imaging project management fees and variable fees that are service provision dependent. The contract may be terminated by the customer on 60 days' written notice, including where the customer determines to discontinue the trial. Similarly, the contract may be extended by the customer upon reaching agreeable terms with the Company. The customer sponsoring the clinical trial is a European Union ("**EU**") domiciled pharmaceutical company.

Second new clinical trial contract details

The second clinical trial contract is with a US company, and it also has an expected duration of 28 months. The total service fees are comprised of fixed and variable fees, with the variable fees comprising most of the contracted amount. The payment of the full contracted amount is contingent upon the trial continuing for its expected duration of 28 months. The customer can terminate the contract by providing 30 days' written notice to the Company and they can extend the contract upon agreeing additional fees with the Company.

Resonance Health's clinical trial services

Resonance Health has approximately 20 years' experience servicing the iron-overload disease market, most notably through its FerriScan® and Cardiac-T2* software-as-medical-devices ("**SaMDs**") which are used globally by clinicians in their management of patients with iron-overload blood disorders. FerriScan® is widely regarded as the global gold standard for the analysis of liver-iron-concentration ("**LIC**") and is frequently used by pharmaceutical companies in their clinical trials.

Continued uptake with 3 tesla (3T) MRI machines

Continued Uptake of FerriScan® on 3T MRI machines

In July 2022, FerriScan®, the Company's best-selling device was made available to clinicians globally on 3.0T MRI scanning machines (see ASX release dated 25 July 2022). Since advising clinicians of this, 81 new MRI scanners (3T + 1.5T) have been onboarded from existing and new customers, which speaks to the benefit of this production innovation.

The FerriScan® product innovation initiative commenced several years ago with studies to adapt the FerriScan® acquisition protocol from 1.5T to 3T MRI scanners, allowing for better usability of the FerriScan® service across the latest MRI machines. Despite being technically challenging, Resonance Health successfully finalised the calibration of the FerriScan® protocol, and FerriScan® is now commercially available for use in clinical trials and in the routine clinical management of patients, on both 1.5T and 3.0T MRI machines.

Since the Company's inception, Resonance Health has completed thousands of FerriScan® analyses to assist patients suffering iron overload disorders around the world, and with pharmaceutical clinical trials. Until now, FerriScan® has only been available at MRI facilities with 1.5T field strength MRI scanning machines.

Cardiac T2 now available on 3T machines for Clinical Trials*

During the Quarter, the calibration and validation of Cardiac T2* for 3T scanners was completed for use in clinical trials and investigational purposes. Further validation using an expanded dataset is underway and will allow for widespread commercial use of the new 3T compatible technology. Globally, many clinicians globally take advantage of the bundled FerriScan® + CardiacT2* service for a more holistic view of the patient's iron overload status providing impetus for the future widespread commercial release of Cardiac T2* on 3T scanning machines.

Prevalence of 3T MRI machines and market opportunity

3T MRI machines offer advantages for clinicians and patients, including shorter scan times and greater image contrast compared with 1.5T MRI machines and are growing in prevalence around the world. In the USA 1.5T and 3T scanners are being purchased in approximately equal numbers, with 3T scanners already representing approximately 15% to 18% of total MRI scanners in Europe and North America.[9]

Resonance Health is committed to ensuring its services, including FerriScan®, are at the forefront of technical development, including being calibrated across new generation MRI machines, enabling service availability to as many patients as possible, so that their diseases can be managed effectively by their treating physicians. Ensuring that FerriScan® is available on as many MRI machines as possible is a key element of the Company's strategy to grow its clinical trial services contracts and revenue.

Continued medical device development & innovation

Improvements to HepaFat-AI and HepaFat-Scan®

Improvements to the HepaFat-AI® device were completed during the period via the addition of a new liver segmentation module, and additional neural network (AI) training was completed. The Company intends to submit a Special 510K application to the FDA for regulatory clearance of the improved device and preparation of the application is underway. Additionally, the Company is expanding the outputs provided by HepaFat-Scan® to include a PDFF score and a steatosis grade which are cleared components of HepaFat-AI®.

FAST improvement project

Several upgrades were released during the quarter on the Company's job management and patient report generation software ("**FAST**"), enhancing the efficiency of report generation by the Company's highly trained analysts. Work also continued developing new FAST software to replace the legacy FAST system which remains a long-term project and goal of the Company.

Other imaging device innovations

Further progress was made on several product innovations in existing SaMD medical devices and services, aimed at broadening market access, driving new market penetration, ensuring customer retention, and enhancing patient and MRI centre outcomes. Current projects include developing a new AI-assisted image

analysis device, CardiacT2*-AI, an AI version of the Company's reg-cleared Cardiac-T2*, to complement the Company's three existing regulatory cleared AI devices; FerriSmart®, HepaFat-AI®, and LiverSmart®.

If completed, the CardiacT2*-AI product may provide real-time analysis to assist clinicians assessing cardiac-iron levels, which has been identified by the Thalassaemia International Federation ("**TIF**") as a critical and necessary requirement in large new markets where iron-overload diseases are prevalent. Through the Company's partnership with TIF (see ASX release, 12 November 2021), TIF and clinicians in new markets are requesting this capability.

Work also continued validating a shorter MRI imaging protocol for FerriScan® and FerriSmart® with a potential 75% reduction in patient MRI scanner time, thereby improving patient experience and increasing scanner throughput. This has progressed successfully through the proof-of-concept stage, with additional datasets ordered to complete the validations.

AI & imaging R&D – LungSmart (Alert-PE) + Cystic-Fibrosis

A pre-submission meeting was held with the FDA in 2022 regarding the LungSmart (formerly Alert-PE) SaMD. LungSmart is an AI-assisted imaging analysis R&D project that analyses CTPA images of the lung in the case of patients with suspected pulmonary embolism ("**PE**"). The device has been trained on over 1,000 datasets provided via an agreement with Perth Radiological Clinic ("**PRC**").

The FDA provided guidance on the next steps of development required for LungSmart, which includes using US board-certified radiologists to annotate data with region of interests ("**ROIs**") identifying suspected filling defects, allowing for the device to have its statistical performance measured in a future clinical study. The Company continues to engage with third-party collaborators interested in partnering on the technology.

Resonance Health has also developed an AI-assisted cystic-fibrosis solution, with the Company continuing to seek clinical partners to use the device for investigational purposes in their assessment workflows related to persons undergoing treatment for suspected or confirmed cystic-fibrosis and/or other lung conditions. The next stage of developmental work includes exploring the addition of trapped air as a reportable metric.

Molecular Medicine (ASO Project)

The molecular medicine R&D ASO (antisense oligonucleotide) project has progressed with the establishment of research collaborations with The Liver Cancer and Alzheimer's Disease Research Group at Curtin University. The liver cancer project seeks to determine the extent of cyclophilin related pro-tumourigenic signalling in archival hepatocellular carcinoma tissue and investigate the performance of ASOs to block tumour growth in an animal model of disease. The initial phase of the Alzheimer's disease project seeks to test the efficiency of ASO delivery and drug target inhibition in mouse brains. If successful, subsequent experiments will test if ASOs can suppress disease progression in an animal model of Alzheimer's disease.

Molecular Medicine (Blood Marker Project)

The Company is developing a set of novel blood markers with the potential to provide cost-effective assessments of iron-overload and liver-health for use in countries without ready access to MRI machines. Encouragingly, preliminary analysis of a validation set of blood samples from Vietnam and Turkey appear consistent with the original findings. Completion of this work was delayed due to laboratory reagent supply issues, and we now anticipate completion of this phase of the study by Q2 2023.

Financial & Operating Performance

Demand for core-lab imaging services remains strong with patient report generation during the quarter contributing to receipts from customers of $1.05M. Cash holdings decreased marginally to $6.53M, due to

one-off costs associated with the fit-out and equipment purchases for the Resonance Clinical initiative and new consolidated lab facility at Bentley Tech Park.

Other expenses included intellectual property costs of $89K incurred in connection with the upkeep of the Company's intellectual property portfolio (patents and trademarks) including the provisional patent application for the new fibrosis technology, and confirmation of the molecular medicine R&D ASON provisional patents (see ASX release, 23 November 2021). The group has no debt.

Expenditure during the quarter also included $129K of R&D costs with the continued focus on accelerating the fibrosis R&D project and product innovation projects, including the continued upgrade of the Company's regulatory cleared medical devices (SaMDs) to new generation 3T MRI machines. Advertising and marketing costs of $216K were in line with the previous quarter.

Movements in exchange rates during the quarter negatively impacted the Company's foreign currency cash holdings resulting in a negative movement in the balance of cash held during the quarter of $57K due to this factor, as recorded in item 4.5 in the attached Appendix 4C quarterly cash flow.

With respect to item 6 of the Appendix 4C cash flow report for the quarter, payments to related parties of approximately $105K were made during the quarter. This comprised of $35K of remuneration paid to non-executive directors and $70K of remuneration paid to Mr Mitchell Wells as Managing Director.

This announcement has been authorised for release in accordance with the delegated authority of the Board of Directors of Resonance Health Ltd.

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About Resonance Health

Resonance Health is an Australian healthcare technology and services company. The Company's services are used globally by clinicians in the management of human diseases and by pharmaceutical and therapeutic companies in their clinical trials. Resonance Health has gained endorsement by leading physicians worldwide for providing high quality quantitative assessments essential in managing diseases and drug development.

Resonance Health's dedication to scientific rigour and quality has enabled it to achieve regulatory clearances for a range of Software-as-Medical Devices (**SaMDs**) in the USA, Europe, UK, and Australia, and to proudly carry ISO 13485 certification for the design and manufacture of medical devices. Regulatory cleared SaMD products, some of which incorporate Artificial Intelligence (**AI**), include:

- **FerriScan®,** a core-lab product that provides an accurate assessment of liver iron concentration (**LIC**) through non-invasive MRI-based technology, for use in the assessment of individuals with iron overload conditions. Internationally recognised as the gold standard in LIC assessment.
- **FerriSmart®,** an AI-assisted, non-invasive MRI-based device for the automated real-time assessment of LIC in patients, calibrated against the global gold standard, FerriScan®.
- **HepaFat-Scan®,** an MRI-based solution which provides a reliable non-invasive assessment of liver-fat in liver tissue for use in the assessment of individuals with confirmed or suspected fatty-liver-disease.
- **HepaFat-AI®,** an AI-assisted, non-invasive device for the automated real-time multi-metric assessment of liver-fat in patients, for the assessment of individuals with confirmed or suspected fatty liver disease.
- **LiverSmart®,** an AI-assisted, non-invasive MRI-based multi-parametric device combining FerriSmart® and HepaFat-AI® into a consolidated report providing accurate assessment of LIC and liver fat.

- **CardiacT2*,** the most widely accepted MRI method for assessing heart iron loading. Resonance Health offers a dual analysis of FerriScan® and CardiacT2*. CardiacT2* is TGA and CE Marking regulatory cleared.

The Company has a development pipeline of additional medical imaging analysis products and services, including **CardiacT2*-AI** an AI tool for the automated analysis and quantification of cardiac-iron levels and **LungSmart (Alert-PE™)**, an AI tool for the automated review of chest CT scans of patients with suspected PE.

Stakeholders, including clinicians, patients, and shareholders, are encouraged to register their interest at www.resonancehealth.com and to follow Resonance Health on Facebook, LinkedIn, and Twitter.

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3 Blach S, Zeuzem S, Manns M, Altraif I, Duberg A, Muljono DH, et al. (2017) Global prevalence and genotype distribution of hepatitis C virus infection in 2015: a modelling study. Lancet Gastroenterol Hepatol. 2(3):161–176. https://doi.org/10.1016/S2468-1253(16)30181-9 PMID: 28404132

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5 Prof. John Olynyk, see Resonance Health (ASX RHT) ASX release dated 24 November 2021.

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7 Noncirrhotic Nonalcoholic Steatohepatitis With Liver Fibrosis: Developing Drugs for Treatment - Guidance for Industry, U.S. Department of Health and Human Services Food and Drug Administration Center for Drug Evaluation and Research (CDER). https://www.fda.gov/media/119044/download

8 Nonalcoholic fatty liver disease and cardiovascular diseases phenotypes, Glandomenico Bisaccia et al, SAGE Open Medicine Volume 8: 1-15, 21 May 2020; and "World Distribution, Population Genetics, and Health Burden of the Hemoglobinopathies, Thomas N. Williams and David J. Weatherall, Cold Spring Harb Perspect Med 20122:011692

9 Could Very Low Field Strength Be the Next Frontier for MRI?, Burhan Ahmed Khan, M.D., Hyperfine intern, Eliot L. Siegel, M.D., Associate Vice Chair, University of Maryland School of Medicine, Diagnostic Imaging, 11 March 2021.

Appendix 4C

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

Name of entity	
Resonance Health Limited	
ABN	**Quarter ended ("current quarter")**
96 006 762 492	31 December 2022

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (6 months) $A'000**
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	1,054	2,126
1.2	Payments for		
	(a) research and development	(129)	(387)
	(b) product manufacturing and operating costs		
	(c) advertising and marketing	(216)	(435)
	(d) leased assets		
	(e) staff costs	(695)	(1,341)
	(f) administration and corporate costs	(239)	(467)
1.3	Dividends received (see note 3)		
1.4	Interest received	2	5
1.5	Interest and other costs of finance paid		
1.6	Income taxes paid		
1.7	Government grants and tax incentives	-	460
1.8	Other (provide details if material)		
1.9	**Net cash from / (used in) operating activities**	**(223)**	**(39)**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire or for:		
	(g) entities		
	(h) businesses		
	(i) property, plant and equipment	(193)	(226)
	(j) investments		
	(k) intellectual property	(89)	(89)
	(l) other non-current assets		

Consolidated statement of cash flows		Current quarter $A'000	Year to date (6 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**	**(282)**	**(315)**

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		
3.6	Repayment of borrowings		
3.7	Transaction costs related to loans and borrowings		
3.8	Dividends paid		
3.9	Other (lease payments)	(17)	(36)
3.10	**Net cash from / (used in) financing activities**	**(17)**	**(36)**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	7,109	6,783
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(223)	(39)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(282)	(315)

Consolidated statement of cash flows		Current quarter $A'000	Year to date (6 months) $A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(17)	(36)
4.5	Effect of movement in exchange rates on cash held	(57)	137
4.6	**Cash and cash equivalents at end of period**	**6,530**	**6,530**

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	5,506	6,088
5.2	Call deposits	1,024	1,021
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)**	**6,530**	**7,109**

6.	Payments to related parties of the entity and their associates	Current quarter $A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	105
6.2	Aggregate amount of payments to related parties and their associates included in item 2	

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.

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.*	**Total facility amount at quarter end $A'000**	**Amount drawn at quarter end $A'000**
7.1	Loan facilities		
7.2	Credit standby arrangements		
7.3	Other (please specify)		
7.4	**Total financing facilities**		

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)	(223)
8.2	Cash and cash equivalents at quarter end (item 4.6)	6,530
8.3	Unused finance facilities available at quarter end (item 7.5)	
8.4	Total available funding (item 8.2 + item 8.3)	6,530
8.5	**Estimated quarters of funding available (item 8.4 divided by item 8.1)**	29.28

Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.

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

8.6.1 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

8.6.2 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: N/A

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

Answer: N/A

Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.

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 January 2023

Authorised by: 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.