
QUARTERLY ACTIVITIES & CASHFLOW REPORT

Highlights

- Receipts from customers of \$3.2M - up 186% or \$2.07M from pcp FY23 of \$1.12M, and down 16% or \$0.59M from the June quarter of \$3.77M
 - Record cash receipts from customers over 12 months to 30 Sep 2024 of \$10.2M up 133% or \$5.8M from pcp to 30 Sep 2023
 - Cashflows from operating activities of -\$0.1M, and net positive cashflows from operating activities of \$1.96M for the 12 months to 30 Sep 2024
 - Major clinical trial announced in Aug 2023 progressing to schedule with patient recruitment completed in August 2024
 - Deferred acquisition payments and investment in new TrialsWest site made during the quarter, total cashflows used in investment activities of \$0.8M
 - TrialsWest trading ahead of initial expectations with new trial site operational
 - Cash at bank of \$5.78M at the end of the quarter
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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 30 September 2024.

Major Milestones

The Company continues to rapidly and profitably scale up its operations with the continued execution of its strategy to drive growth in its 3 businesses, Software-as-a-Medical Device (**SaMD**), Clinical Trial Management (**CRO Services**), and Clinical Trial Site Services (**TrialsWest**).

Strong trading in TrialsWest has resulted in first quarter performance above expectations. The addition of a second trial site north of Perth, Western Australia, is expected to contribute to revenue in the December 2024 quarter. TrialsWest continues to grow through its ability to recruit strong participation of patients into clinical trials due to increased capacity and a move into clinical trials in additional therapeutic areas.

TrialsWest's low-cost community-based approach to site expansion is expected to continue with new sites planned in future periods that will drive organic revenue and earnings growth. Notably, capital expenditure associated with the establishment of the 2nd TrialsWest Site was only circa \$80K.

The Company's CRO Services business, which is serving as CRO and local Australian sponsor for a major global pharma company's Clinical Trial (see ASX release dated 18 Aug 2023), is continuing to progress the clinical trial with patient recruitment completed in August 2024. There remains ~\$1.8M to be invoiced until the completion of this trial which is expected to occur in the current financial year.

The Company's global SaMD business continued to grow with analysis volumes trending upwards during the quarter along with several new customer sites being setup globally to use Resonance Health's SaMD products.

Development of the Company's new Non-Invasive MRI Liver Fibrosis SaMD product is progressing well through its Extended-Proof-of-Concept Trial (EPOC).

Significant progress was made on internal SaMD development projects that are expected to deliver substantial increases in the Company's report generation capacity and capability. Once embedded into the Company's service centre, these improvements will allow for expected future demand associated with new products and services such as the Non-Invasive MRI Liver Fibrosis SaMD product. These projects involve process automation utilising new artificial intelligence and have to date produced impressive results in testing.

Financial & Operating Performance

Continued strong demand in diagnostics, clinical trials, and milestone payments earned in the Company's CRO Services business contributed to receipts of \$3.2M for the quarter, an increase of 186% compared to the FY23 pcpr of \$1.12M.

Total receipts for the 12 months to 30 Sep 2024 were \$10.2M up 133% compared to full year pcpr receipts of \$4.38M.

The Company's balance sheet remains strong with a cash balance of \$5.78M at the end of quarter. The Company has a \$3.2M senior debt facility with NAB that was established to partially finance the TrialsWest acquisition. On 30 Sep 2024 there was \$3.09M outstanding under the NAB facility.

With respect to item 6 of the Appendix 4C cash flow report for the quarter, payments to related parties of approximately \$99K were made during the quarter. This comprised of \$37.5K paid to Mr Mitchell Wells for consulting and company secretarial services provided during the quarter. The balance was remuneration paid to non-executive directors for their services.

This announcement has been authorised for release in accordance with the delegated authority of the Board of Directors of Resonance Health Ltd. For further information please contact:

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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-trained, non-invasive MRI-based device for the automated real-time assessment of LIC in patients, calibrated against the global gold standard, FerriScan®.
- **HepaFatScan®**, 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.
- **HepaFatSmart®**, an AI-trained, 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-trained, 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 the **MRI Liver Fibrosis Project**, aimed at accurately assessing the presence and progression of liver fibrosis utilising non-invasive MRI analysis.

The Company also operates Clinical Trial Management (CRO Services) and Clinical Trial Site (TrialsWest) businesses that cater to global clinical trial customers.

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

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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")

30 September 2024

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
1. Cash flows from operating activities			
1.1 Receipts from customers		3,186	3,186
1.2 Payments for			
(a) research and development		(254)	(254)
(b) product manufacturing and operating costs			
(c) advertising and marketing		(192)	(192)
(d) leased assets			
(e) staff costs		(1,207)	(1,207)
(f) administration and corporate costs		(1,675)	(1,675)
1.3 Dividends received (see note 3)			
1.4 Interest received		28	28
1.5 Interest and other costs of finance paid			
1.6 Income taxes paid			
1.7 Government grants and tax incentives		26	26
1.8 Other (provide details if material)			
1.9 Net cash from / (used in) operating activities		(88)	(88)
2. Cash flows from investing activities			
2.1 Payments to acquire or for:			
(a) entities			
(b) businesses		(698)	(698)
(c) property, plant and equipment		(92)	(92)
(d) investments			
(e) intellectual property		(42)	(42)
(f) other non-current assets			

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 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	(832)	(832)

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	(80)	(80)
3.7	Transaction costs related to loans and borrowings		
3.8	Dividends paid		
3.9	Other:		
	- Lease payments	(59)	(59)
	- Net payments for cash backed guarantees	(12)	(12)
3.10	Net cash from / (used in) financing activities	(151)	(151)

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	6,854	6,854
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(88)	(88)

Appendix 4C
Quarterly cash flow report for entities subject to Listing Rule 4.7B

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(832)	(832)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(151)	(151)
4.5	Effect of movement in exchange rates on cash held	(7)	(7)
4.6	Cash and cash equivalents at end of period	5,776	5,776

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	5,760	3,403
5.2	Call deposits	16	3,450
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)	5,776	6,854

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	99
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 <i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i> <i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1	Loan facilities	3,093	3,093
7.2	Credit standby arrangements		
7.3	Other (please specify)		
7.4	Total financing facilities	3,093	3,093
7.5	Unused financing facilities available at quarter end		NIL
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.		
	Secured Financing Facility from National Australia Bank, facility expiry date is 31 March 2027. Interest rate is BBSY + 2.5% per annum.		

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(88)
8.2	Cash and cash equivalents at quarter end (item 4.6)	5,776
8.3	Unused finance facilities available at quarter end (item 7.5)	-
8.4	Total available funding (item 8.2 + item 8.3)	5,688
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1)	65.61
	<i>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.</i>	
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	
	<i>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.</i>	

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 October 2024

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.