
QUARTERLY ACTIVITIES & CASHFLOW REPORT

Highlights

- Cash receipts from customers of \$2.1M was up 86% or \$0.96M from Sept Quarter and up 96% or \$1.0M from pcp FY23 \$1.1M
- Net positive cashflow from operating activities was \$518K for the quarter up from the Sept quarter of (\$663k)
- New clinical trial progressing well with \$1.05M receipted during the quarter and significant receipts expected over the balance of the financial year
- Cancellation of 20M ordinary shares held as collateral related to the Acuity facility (see ASX release Jan 24) resulted in a 4.3% reduction in shares on issue
- Well advanced negotiations with acquisition pipeline to expand operations in the clinical trial ecosystem
- Progressed negotiations with a complementary software-medical-device partner on a mutual reseller agreement and supply of technology to enable seamless integration with Radiology PACS
- Cash at bank of \$5.9M at the end of the quarter, and no debt

Resonance Health Ltd (ASX: RHT) (**Resonance** or **Company**) is pleased to release its Appendix 4C and Quarterly Activities & Cashflow Report for the quarter ended 31 December 2023.

Corporate Strategy

As set out in the November 2023 AGM presentation the Company continues to progress its strategy of leveraging its large global footprint of imaging and clinical trial customers to gain a greater share of spending within the clinical trial ecosystem.

To this end the Company continues to invest in bringing new products to market, such as non-invasive liver fibrosis assessment (where we continue to progress our extended proof of concept trial), along with a pipeline of product extensions and improvements including shorter MRI acquisition times, Cardiac T2* on 3T scanners, and others.

Progress has also been made on a Product Partnership & Reseller Agreement and a Technology Agreement with a software-as-a-medical device (**SaMD**) vendor to facilitate a seamless PACs integration solution that includes native anonymisation and encryption. The benefit of these agreements would be more streamlined workflows and reduced administrative burden for customers, and the ability to sell products to a wider audience, and to sell additional products to existing customers.

The Company also has a well-advanced acquisition pipeline to expand its capabilities and operations in the prolific and higher margin clinical trial ecosystem. The first transaction is expected to be funded from existing

available cash and debt and will strongly contribute to earnings and provide a platform for future growth and further expansion of the Company's capabilities.

Clinical Trial

The Clinical Trial Research Agreement (**CTRA**) announced in August 2023 is progressing well. The Company receipted \$1.05M during the quarter in milestone payments related to progress of the trial and expects to generate significant revenue from this trial over the balance of the financial year. This is expected to contribute significantly to expected year on year revenue growth. The CTRA is worth an estimated \$6.33M in revenue to the Company over its expected ~18-month duration.

The delivery of services under this contract highlights both the success of the Company's strategy of providing its technology and services to the burgeoning and highly technical global pharma and clinical trials markets, and its growing capabilities.

Financial & Operating Performance

Continued strong demand in diagnostics, clinical trials, and milestone payments from the clinical trial agreement contributed to customer receipts of \$2.1M for the quarter up 86% or \$0.96M from the Sept Quarter and up 96% or \$1.01M from pcp FY23 \$1.1M. This resulted in positive operating cashflow of \$518K, a more than \$1.181M turnaround from last quarter.

The Company's balance sheet remains strong with a cash balance of \$5.9M at the end of quarter. The Company has no debt.

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 \$49K paid to Mr Mitchell Wells for company secretarial and consulting services. Remuneration of \$50k was paid to non-executive directors for their service.

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.

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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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 December 2023

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	2,071	3,186
1.2 Payments for		
(a) research and development	(281)	(552)
(b) product manufacturing and operating costs		
(c) advertising and marketing	(220)	(366)
(d) leased assets		
(e) staff costs	(521)	(1,526)
(f) administration and corporate costs	(592)	(1,022)
1.3 Dividends received (see note 3)		
1.4 Interest received	40	76
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Government grants and tax incentives	21	60
1.8 Other (provide details if material)		
1.9 Net cash from / (used in) operating activities	518	(144)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities		
(b) businesses		
(c) property, plant and equipment	(171)	(210)
(d) investments		
(e) intellectual property	(37)	(63)
(f) 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	(208)	(273)

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	(26)	(58)
	- Net payments for cash backed guarantees	-	(20)
3.10	Net cash from / (used in) financing activities	(26)	(78)

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	5,660	6,362
4.2	Net cash from / (used in) operating activities (item 1.9 above)	518	(144)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(208)	(273)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(26)	(78)
4.5	Effect of movement in exchange rates on cash held	(46)	31
4.6	Cash and cash equivalents at end of period	5,898	5,898

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	1,512	1,060
5.2	Call deposits	4,386	4,600
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)	5,898	5,660

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		
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)	518
8.2	Cash and cash equivalents at quarter end (item 4.6)	5,898
8.3	Unused finance facilities available at quarter end (item 7.5)	-
8.4	Total available funding (item 8.2 + item 8.3)	5,898
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1)	N/A
<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: 30 January 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.