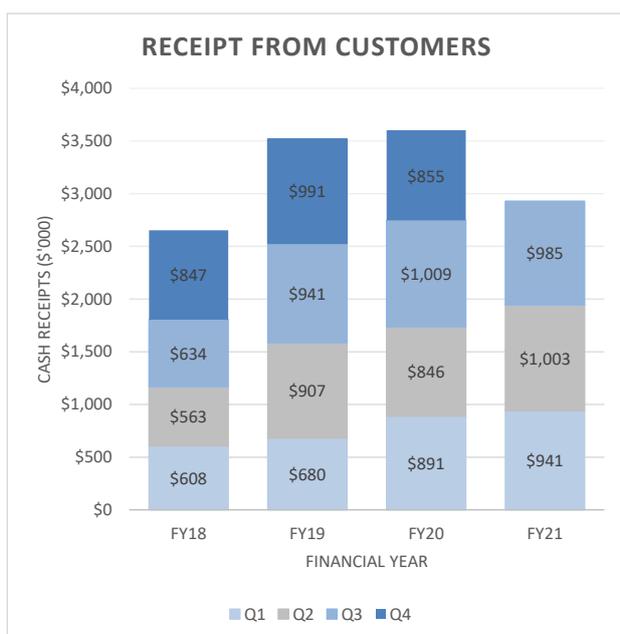


APPENDIX 4C – Q2 FY20/21 QUARTERLY REPORT

Resonance Health Limited (ASX: RHT) (“Resonance Health” or “Company”) – Quarterly Report for the period ended 31 March 2021.

Summary of Key Financials and Business Performance for the March quarter:

- Cash on hand at 31 March 2021 of \$9.2m, an increase of \$1.1m over 31 December 2020, most of which was the proceeds of employee options being exercised during the period.
- Cash receipts from customers of \$985k, slightly lower than the previous quarter. As the majority of the Company’s customers are international, largely from Europe, UK, and the USA, COVID is continuing to result in variability in revenue. On balance over time, however, revenue remains strong and continues to provide an excellent base from which to fund diversification and growth strategies.



- An amendment was executed this quarter to extend the Company’s services (FerriScan®, Cardiac T2*) being used by a pharmaceutical company in their existing clinical trial. The amendment was not announced individually as the total sum is not material.
- The FerriScan® voucher program was renewed by a pharmaceutical client of the Company for the countries of South Africa and Taiwan for an additional year. Vouchers must be redeemed within a 1-year period, and are used to provide FerriScan® and Cardiac T2* services to patients. The extension was not announced individually as the total sum is not material.

Product development progressed during the Quarter as follows:

HEPAFAT-AI:

- HepaFat-AI is the Company's regulatory cleared radiology software tool that assesses liver fat in patients with suspected fatty liver. The product received Australian Therapeutic Goods Administration ("TGA") approval on 18 February 2021 (see ASX announcement dated 18 February 2021) and European CE Marking on 24 February 2021 (see ASX announcement dated 24 February 2021), allowing it to be marketed in those jurisdictions.
- Integration of the HepaFat-AI technology into channel partner Blackford Analysis's platform is expected to be completed within the June 2021 quarter.
- HepaFat-AI is already being used in a Malaysian research study focusing on simple fatty liver, NASH, and the preliminary investigation of a test compound to reduce liver fat.
- The Company is reviewing potential pathways to reimbursement for the product in the USA.

ALERT-PE:

- Work has progressed on the radiology software tool, ALERT-PE. ALERT-PE performs fully automated review of chest computed tomography ("CT") scans of patients with suspected pulmonary embolism ("PE"), a potentially life-threatening condition (see ASX announcement dated 6 October 2020). Validation plans have been finalised after a pre-submission meeting with the USS FDA, and performance measurement of the tool will commence shortly.
- PE is part of the venous thromboembolism ("VTE") spectrum, which ranges from asymptomatic deep vein thrombosis ("DVT") to fatal PE, and is a blockage of the pulmonary arteries in the lungs caused by blood clots¹. In the USA, there are approximately 1 million cases of VTE and over 500,000 hospital admissions each year, with estimate annual costs exceeding USD \$10 billion.²⁻⁷ According to the Centers for Disease Control and Prevention, VTE kills more people each year than breast cancer, human immunodeficiency virus ("HIV"), and traffic accidents combined.^{5,6} It is intended that ALERT-PE may be able to triage images for radiologists during their highly time-sensitive assessment of CT images in patients with suspected PE.

FERRISMART:

- FerriSmart's availability on the Siemens Healthineers Digital Marketplace ("Siemens") was completed this quarter. This follows successful completion of security testing of the software by Siemens. FerriSmart is now available via the Siemens Marketplace for European, USA, and Australian customers, and for Siemens syngo.via (intelligent multi-modality imaging software) users. This enables users to browse, download, and test applications such as FerriSmart within minutes, providing customers with seamless integration into existing clinical workflows.

- Several other neural networks in training are at validation of performance stage, the Company will provide market updates when appropriate.

LIVER IRON BLOOD TEST PROJECT:

- Patient data collection for the expansion of the Dragon 2 Study on the use of novel blood markers to determine an individual's iron status has completed. The data was gathered to test the efficacy of these novel blood markers in a European cohort of Thalassaemic and non-Thalassaemic patients with iron overload. Work will commence on analysis of the results shortly. These blood markers have been identified as part of the Company's molecular medicine R&D program.
- At present, a ubiquitous blood test (serum ferritin ("SF") test), is routinely used as an initial screen to review the iron status of a patient. The Company is testing to see whether these novel blood markers may show a better correlation to liver iron concentration than SF alone. Initial work demonstrated this to be the case (see ASX announcement dated 20 November 2019), and this expanded study in other genetic groups will be assessed for similar results. A provisional patent has been filed on this work (see ASX announcement dated 20 November 2019).

Listing Rule 4.7C3

With respect to item 6 of the Appendix 4C cash flow report for the quarter, payments to related parties of approximately \$67.5K were made during the quarter. This comprised of \$45K of remuneration paid to non-executive directors, and \$22.5K for consultancy services provided by Mr. Mitchell Wells through his service company, Biggles Pty Ltd (ATF the Biggles Investment Trust). Mr. Wells is a director of the Company and is therefore a related party.

Authorised by

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

About Resonance Health

Resonance Health is an Australian healthcare company specialising in the development and delivery of noninvasive medical imaging software and services. Resonance Health has gained endorsement by leading physicians worldwide for consistently providing high quality quantitative measurements essential in the management of particular diseases. The Company's products are used globally by clinicians in the diagnosis and management of human diseases and by pharmaceutical and therapeutic companies in their clinical trials. Resonance Health's dedication to scientific rigour has enabled it to achieve regulatory clearances on a number of software products (SaMD) in the USA, Europe, and Australia,

including FerriSmart®, an artificial intelligence product that quantifies iron concentration in the liver and HepaFat-AI, an artificial intelligence tool that assesses liver fat. The Company is working on several other developments including, among others, ALERT-PE, radiology software for the automated review of chest CT scans of patients with suspected pulmonary embolism.

For further information please contact:

Chad Tondut
Communications Manager, Resonance Health
E: chadt@resonancehealth.com P: +61 (0)8 9286 5300

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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 2021

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	985	2,929
1.2 Payments for		
(a) research and development	(161)	(404)
(b) product manufacturing and operating costs		
(c) advertising and marketing	(45)	(169)
(d) leased assets		
(e) staff costs	(469)	(1,478)
(f) administration and corporate costs	(149)	(400)
1.3 Dividends received (see note 3)		
1.4 Interest received	14	51
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Government grants and tax incentives	-	535*
1.8 Other (provide details if material)		
1.9 Net cash from / (used in) operating activities	175	1,064
<i>*Includes \$176K from JobKeeper Payment, \$17.5K from OSR COVID-19 Grant, \$100K for PAYG Cashflow Boost and \$242K from R&D Tax Incentive refund for FY 2020.</i>		

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) entities		
(b) businesses		
(c) property, plant and equipment	(1)	(16)
(d) investments		
(e) intellectual property		

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
(f) other non-current assets		
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	(1)	(16)

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	907	1,250
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	907	1,250

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	8,108	6974
4.2 Net cash from / (used in) operating activities (item 1.9 above)	175	1,064
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(1)	(16)

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)	907	1,250
4.5	Effect of movement in exchange rates on cash held	5	(78)
4.6	Cash and cash equivalents at end of period	9,194	9,194

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	9,194	8,108
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)	9,194	8,108

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**

68

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.

- 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)	175
8.2	Cash and cash equivalents at quarter end (Item 4.6)	9,194
8.3	Unused finance facilities available at quarter end (Item 7.5)	-
8.4	Total available funding (Item 8.2 + Item 8.3)	9,194
8.5	Estimated quarters of funding available (Item 8.4 divided by Item 8.1)	52

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:

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: 29 April 2021

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.