QUARTERLY ACTIVITIES & CASHFLOW REPORT
QUARTER ENDED 30 JUNE 2021

Burswood, WA, Australia, 30 July 2021: Resonance Health Ltd (ASX: RHT) ("Resonance Health" or "Company") is pleased to release its Appendix 4C – Quarterly Cashflow report and update, for the quarter ended 30 June 2021 (the "Quarter"). All financial results are in Australian dollars and are unaudited.

Highlights for the Quarter

- R&D progressed, most notably to Alert-PE, a new radiological software tool that performs fully automated AI identification of pulmonary embolism ("PE") using computed tomography pulmonary angiogram ("CTPA") scans.
- Alert-PE's performance has advanced and a computer-aided-detection ("CADe") regulatory clearance is now being targeted versus a lower category triage regulatory clearance.
- Molecular medicine R&D workstream also progressed with ASO treatment in a preclinical cell model of Hepatitis B Virus ("HBV") infection demonstrating a statistically significant viral suppression.
- International patent application lodged for protection of the molecular medicine R&D and the use of ASOs to target a human gene associated with viral, inflammatory, and malignant disease.
- Material management changes including the appointment of Mr. Mitchell Wells as MD, Mr. Nicholas Allan as CFO & Company Secretary, and post period, Mr. Ajay Nair as GM – Global Sales & Marketing.
- Sales receipts of $750K recorded, and cash on hand of $8.8M at the end of the Quarter. Applicability of two new CPT (defined below) codes used for reimbursement in the USA currently being assessed.

Commercialisation & Development Activities

The activities and achievements this Quarter for Resonance Health, are summarised below:

1. R&D (AI & IMAGING) – ALERT-PE (AI TOOL FOR PULMONARY EMBOLISM)

Alert-PE is a late-phase R&D project targeted at a large addressable market that is part of the artificial intelligence ("AI") and imaging R&D workstream. Performance of the Alert-PE tool was advanced during the Quarter and Resonance Health expects to apply to the US Food & Drug Administration ("FDA") for a pre-submission meeting within the coming weeks. The purpose of the meeting is to obtain the FDA's feedback and guidance on the requirements for a CADe regulatory clearance.

It was originally intended that Alert-PE would work as a triage tool (with a triage regulatory clearance as opposed to CADe clearance) for radiologists during their highly time sensitive assessment of chest CTPA images in patients with suspected pulmonary embolism ("PE"). However, advancements in the Alert-PE tool have demonstrated a performance improvement and the Company now intends to target a higher level of FDA regulatory clearance, as a CADe solution (versus a triage solution).

A CADe regulatory clearance could enable the Alert-PE tool to be of greater benefit to clinicians and their

ability to detect PE more rapidly where timing, accuracy and early intervention is critical to health outcomes of patients. The Company continues to obtain feedback from clinicians that work in PE regarding what would be most beneficial for them in achieving more positive patient outcomes. Given its enhanced usefulness, a CADe clearance, if achievable, may correlate with better clinical uptake. As part of the recruitment of a global salesforce the Company will receive enhanced clinical feedback on how best to respond to market needs.

Alert-PE is a software tool for the automated AI assisted review of chest CTPA scans of patients with suspected PE, a potentially life-threatening condition. The AI neural network training was performed using datasets of the lungs provided via a collaboration with Perth Radiological Clinic (see ASX releases dated 17 October 2017 and 6 October 2020). If successful, Alert-PE should deliver improvements in the areas of radiology workflow, processing time, read performance and risk management.

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 clots[1]. 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]

Alert-PE is progressing through validation of its performance and an application for a pre-sub meeting with the FDA will soon be lodged. Resonance Health with provide further updates as Alert-PE progresses.

2. R&D (MOLECULAR MEDICINE) – ANTIVIRAL THERAPIES PROJECT (FOR LIVER DISEASES)

The antiviral therapies project (formerly referred to as the ASO project) for treating liver related diseases is part of the Company's molecular medicine R&D workstream. Lead optimization and early preclinical testing of antisense oligonucleotide ("ASO") compounds was completed during the Quarter. The ASO compounds target a human (host) protein essential to the lifecycle of numerous human viruses, including HBV. Following the design and testing of over 40 different ASO compounds, the Company has selected a lead compound for the ASO project and has named the compound AS3 ("AS3"). In a preclinical cell model of HBV infection, AS3 demonstrated statistically significant viral suppression compared to a control ASO.

The positive data obtained has validated the Company's ASO treatment strategy for chronic HBV and supports the continued investigation of AS3 in a preclinical animal model of disease. The Company has now commenced a dosage study to test its effectiveness in a humanized liver mouse strain and, if successful, AS3 will be investigated in an HBV infection model using the same strain. Successful elimination of HBV will require a multi-drug approach, and because AS3 targets a human protein essential for viral growth, it is ideally suited to this purpose. In combination with other treatments, AS3 would also help to mitigate the emergence of drug resistant mutants, which is an important clinical consideration.

Chronic Hepatitis B is estimated to affect 292 million people globally, including an estimated 230,000 Australians. Current life-long treatments do not eliminate HBV, and up to 40% of sufferers will develop serious clinical complications such as cirrhosis, liver failure and/or liver cancer. Aside from the human suffering, the annual healthcare cost of chronic HBV in the USA is estimated to be USD$100K per patient (U.S. Medicare figures, 2015; cited by Robert Gish MD, Medical Director of the Hepatitis B Foundation).

In view of the positive data achieved, and given the commercial potential of the technology, the Company's

anti-viral testing program has been extended to include other important viral diseases. Additionally, the Company will investigate the application of AS3 for the treatment of important non-viral related human diseases linked to our drug target. Accordingly, the Company is expanding its Patent Cooperation Treaty ("PCT") patent filing to include these additional disease indications.

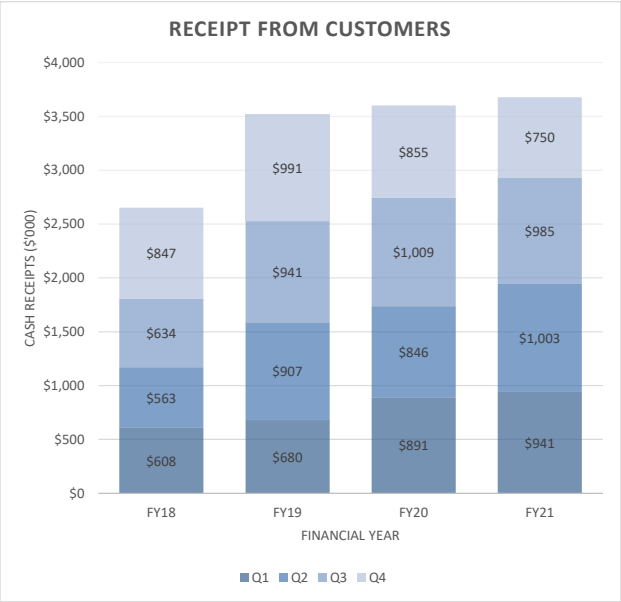
The updated PCT patent filing was lodged on 24 May 2021.The next step in the commercialisation timeline for this project is a liver dosing study in humanised liver mice which has now commenced.

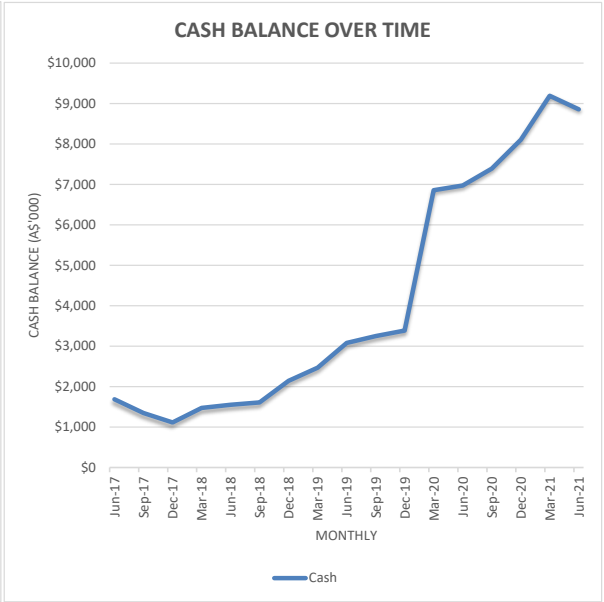
Financial

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 and impact the timing of collections. On balance over time, however, revenue remains strong and continues to provide an excellent base from which to fund diversification and growth strategies.

During the Quarter, two new Current Procedural Terminology ("CPT") codes were published in the USA. The Company is, via a CPT code certifier, investigating the applicability of these codes to its products. If the codes are certified as applicable it will be a critical milestone in Resonance Health's ability to achieve payer and insurer reimbursement in the USA. CPT codes are a procedural coding set maintained by the American Medical Association ("AMA") and designated by the US Department of Health and Human Services. They are used by healthcare professionals and physicians for tracking and reporting medical services performed by healthcare providers and they are pathway to easier reimbursement for medical services and products.

During the Quarter, the Company received $0.75 million in customer receipts, lower than the previous quarter of $0.985 million. However, the Company experienced strong demand for its services in June 2021, leading to an increased receivables working capital balance at 30 June 2021 which is being collected post-period. The Company held cash on hand at 30 June 2021 of $8.758m, a decrease of $0.44m over 31 March 2021. Expenditure will increase in future quarters as a global salesforce is recruited and the Company's human resources is further scaled for growth.





Controlled Placement Facility

In June 2021 the Company agreed with Acuity Capital to increase the Controlled Placement Agreement ("CPA") limit from $5m to $7.75m and to extend the expiry date of the CPA to 31 July 2023.

The CPA was initially established with a limit of $5m and the Company has utilised the CPA to raise a total of $2.75m (see announcements 30 April 2019 and 19 March 2020).

Following the increase and extension, the CPA now has available capacity of $5m and the new CPA expiry date is 31 July 2023.There is no requirement on Resonance Health to utilise the CPA and there were no fees or costs associated with the increase in and extension of the CPA.

Further, no additional security has been provided or required in relation to the increased CPA limit.

Management Changes

Mr. Mitchell Wells was appointed Managing Director on 28 June 2021 following the resignation of Ms. Alison Laws as CEO of Resonance Health. Mr. Wells commenced working with Resonance Health in April 2017. He initially provided strategy, contract, and corporate advisory services and in early 2018 he was invited to join the Board of Directors. He has served as a Director and a consultant of the Company since February 2018.

Mr. Nicholas Allan was appointed Chief Financial Officer and Company Secretary during the Quarter. Post period, Mr. Ajay Nair was appointed as GM – Global Sales & Marketing (see ASX announcement dated 28 July 2021).

Mr. Mitchell Wells commented:

"I am enthused about our recent senior appointments and I'm grateful to be given the opportunity to serve as Managing Director. The Company is at an exciting crossroads thanks to the achievements and hard work of Alison Laws and the competent and committed team at Resonance Health. We are 'launch ready' to market our scalable AI based and recently regulatory cleared medical devices, and we have a pipeline of high-impact late-phase commercially focused R&D projects. We recently made two significant appointments in Mr. Nick Allan as our CFO & Company Secretary, and Mr. Ajay Nair as GM – Global Sales & Marketing. We are actively recruiting experienced med-tech sales personnel to energise our global marketing and sales efforts. I look forward to sharing further information about our growth plans with our shareholders and the investment community."

Ms. Laws' final day as CEO of Resonance Health was Friday 2 July 2021 and she now provides consultancy services to the Company, as her personal circumstances permit. The Board again thanks Ms. Laws for her service as CEO and looks forward to working with her as a consultant.

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 $55K were made during the quarter. This comprised of $45K of remuneration paid to non-executive directors, and $10K for consultancy services provided by Mr. Mitchell Wells, a Director of the Company.

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 technology and services company, specialising in the development and delivery of noninvasive medical imaging software and services.

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 has gained endorsement by leading physicians worldwide for consistently providing high quality quantitative measurements essential in the management of particular diseases.

Resonance Health's dedication to scientific rigour and quality management has enabled it to achieve regulatory clearances for a range of Software as a Medical Device (**SaMD**) products in the US, Europe, and Australia and proudly carries ISO 13485 certification for the design and manufacture of medical devices. A number of these SaMD products incorporate the use of Artificial Intelligence (**AI**) to improve speed and efficiency of service delivery:

- **FerriScan®** - provides an accurate measurement of liver iron concentration (LIC) through a non-invasive, MRI-based technology, for use in the assessment of individuals with iron overload conditions. FerriScan is internationally recognised as the gold standard in LIC assessment.
- **FerriSmart®** - an AI-driven system for the automated real-time measurement of liver iron concentration in patients using non-invasive MRI-based technology.
- **HepaFat-AI®** - an AI-driven system for the automated real-time multi-metric measurement of liver fat in patients using non-invasive MRI-based technology, for use in the assessment of individuals with confirmed or suspected fatty liver disease.

The Company has an active development pipeline of additional medical imaging analysis products and services, including, **ALERT-PE®**, an AI tool for the automated review of chest CTPA scans of patients with suspected pulmonary embolism.

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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	**Quarter ended ("current quarter")**
96 006 762 492	30 June 2021

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (12 months) $A'000**
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	750	3,679
1.2	Payments for		
	(a) research and development	(228)	(632)
	(b) product manufacturing and operating costs		
	(c) advertising and marketing	(72)	(241)
	(d) leased assets		
	(e) staff costs	(507)	(1,985)
	(f) administration and corporate costs	(255)	(655)
1.3	Dividends received (see note 3)		
1.4	Interest received	-	51
1.5	Interest and other costs of finance paid		
1.6	Income taxes paid		
1.7	Government grants and tax incentives	15	550
1.8	Other (provide details if material)		
1.9	**Net cash from / (used in) operating activities**	**(297)**	**767**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire:		
	(a) entities		
	(b) businesses		
	(c) property, plant and equipment	(28)	(44)
	(d) investments		
	(e) intellectual property		

Consolidated statement of cash flows		Current quarter $A'000	Year to date (12 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**	**(28)**	**(44)**

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	-	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**	**-**	**1,250**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	9,194	6,974
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(297)	767
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(28)	(44)

Consolidated statement of cash flows		Current quarter $A'000	Year to date (12 months) $A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	1,250
4.5	Effect of movement in exchange rates on cash held	(12)	(90)
4.6	**Cash and cash equivalents at end of period**	**8,857**	**8,857**

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	2,669	3,105
5.2	Call deposits	6,089	6,089
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)**	**8,857**	**9,194**

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	55
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)	(297)
8.2	Cash and cash equivalents at quarter end (Item 4.6)	8,857
8.3	Unused finance facilities available at quarter end (Item 7.5)	-
8.4	Total available funding (Item 8.2 + Item 8.3)	8,857
8.5	**Estimated quarters of funding available (Item 8.4 divided by Item 8.1)**	29.8

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: 30 July 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.