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## **Sales & Marketing Update**

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### **Highlights**

- Transitional period completed with senior appointments made
- Channel Partners to be supplemented by direct salesforce growth
- Sales and marketing personnel appointed in the USA, Europe, Asia, and Australia
- Global Marketing Manager, USA Sales Manager, and technology personnel appointed
- Newly published CPT Codes a potential milestone in the pathway to reimbursement in the USA
- New AI liver product 'LiverSmart' planned for launch as early as December 2021
- Growth initiatives to be funded by operational cashflow and cash reserves

### **Positioned for Growth**

Resonance Health Ltd (ASX: RHT) ("Resonance Health" or "Company") has recently been through a period of management transition with several executives appointed. The recruitment of a global salesforce led by an experienced medical sales and marketing executive commenced with the appointment of a GM-Global Sales & Marketing (ASX release, 7 July 2021) and has accelerated, as outlined below. Technology, marketing, and clinical trial onboarding specialist personnel have been recruited.

### **Channel Partners**

Resonance Health has relied heavily on third-party channel partners to drive growth and deliver its artificial intelligence ("AI") products to market. This strategy is based on the compound annual growth rate ("CAGR") of AI in medical imaging and radiology being estimated at 35% from 2021-2031<sup>[1]</sup>. The Company is well positioned to capitalise on this growth with its FerriSmart® and HepaFat-AI® products being among the first AI medical devices to receive US Federal Drug Administration ("FDA") regulatory clearances<sup>[2]</sup> (ASX releases, 3 December 2018 and 9 December 2020).

To capture this forecast growth and supplement channel partners, who need to spread their resources across multiple devices, Resonance Health is investing in a dedicated salesforce highly trained in the products and capable of supporting clinician and channel partner engagement and education. Direct feedback from existing and prospective customers and international disease advocacy groups is that there is a strong desire to learn about the Company's AI solutions and engage (trial) with them.

### **Sales Strategy**

Resonance Health is recruiting a dedicated global salesforce along with technology, quality assurance, and other support personnel required to underpin this growth and maintain the Company's reputation for excellence and quality. This contrasts with recent years where there was limited investment in sales and marketing, consistent with the heavy reliance on channel partners for these deliverables.

These additional resources will enable market penetration and growth in existing and large new, highly prospective, markets including Asia-Pacific ("APAC") which accounts for 60% of the world's population and

where diseases related to the Company's products are especially prevalent. There remains a critical need in APAC and other emerging markets for cost-effective rapid-turnaround products to assist in the identification and management of liver diseases, and APAC presently accounts for a fraction of Company sales.

To assist the rollout of products, including LiverSmart (ASX release, 13 October 2021) and R&D pipeline products, Resonance Health is engaging with international disease awareness advocates, to deploy scalable products where they are most needed, including the Thalassemia International Federation ("TIF"). With heightened sales resourcing, the Company is confident that FerriSmart®, HepaFat-AI®, and other products in late phase development including LiverSmart, will be a solution for APAC and other new markets.

FerriSmart® can quantify liver iron concentration ("LIC") in seconds and is calibrated against the Company's FerriScan® product which remains the global Gold Standard for LIC measurement. HepaFat-AI®, the Company's newest regulatory cleared product, provides a PDFF score and a steatosis grading, neither of which were available in HepaFat-Scan®. These additional metrics are important for clinical trials and better position the product for use in fatty-liver clinical trials, where sales resourcing is required to drive awareness.

The addressable markets for FerriSmart® and HepaFat-AI® include those with suspected fatty liver diseases which affect 24-30% of the global population or 1.8-2.3 billion people<sup>[3]</sup>. Non-alcoholic Fatty Liver Disease ("NAFLD") is now the leading cause of liver morbidity and mortality, and the leading indicator for liver transplants in the USA, and over the next 10 years the healthcare costs associated with the management of NAFLD is predicted to exceed USD\$1 trillion<sup>[3]</sup>.

### Key Appointments

The Company has appointed a USA Sales Manager with over 20 years medical marketing and sales experience including as Director of Global Marketing for another medical device company. The US Sales Manager will increase Resonance Health product awareness and drive sales in the Americas (including LATAM) and attend industry conferences including at RSNA in Chicago in December 2021.

The Company has also appointed a Global Marketing Manager who is experienced in medical marketing, is a qualified pharmacist, speaks several languages, and whose previous roles include Sales & Marketing Director, and International Product Manager leading marketing across Europe, SE Asia, and South America.

Other recent sales appointments include a US based clinical trial specialist to target clinical trials especially in fatty liver diseases, two new personnel in India (a large and highly prospective market where there is a high prevalence of liver-fat-and-iron diseases), and new personnel in South Korea and the United Kingdom.

To improve customer experience, the Company is currently building an experienced and capable software development team, which will enable it to expand and improve the Company's secure workflow management technology (known as FAST) and automate and streamline customer onboarding and interface.

Resonance Health has no debt and will fund its growth through operational cashflow and its cash reserves.

### Comments

Chief Experience Officer of Resonance Health, Ajay Nair, said the following:

*"I'm excited about the future of Resonance Health. The Company has an incredible legacy in FerriScan® which remains the global gold-standard non-invasive liver iron concentration product. We are building a future focused on customer experience, delivered by innovative AI products and performance-oriented delivery.*

*We have recruited several experienced sales and marketing personnel and we are invigorating our channel partners and will drive market penetration including in clinical trials which are prolific in the fatty liver disease space. We are close to completing our recruitment of highly accomplished sales leaders in several key markets and this will tremendously elevate our ability to deliver better patient-access globally."*

Managing Director of Resonance Health, Mitchell Wells, said the following:

*“Resonance Health is emerging from a period of intense transition during which several senior executives have been appointed. The Company is scaling for growth with the recruitment of a global salesforce located across North America, Europe, and Asia, and we expect to be fully staffed by the end of 2021.*

*Our new sales and marketing personnel are focused on our new AI products that can be deployed into existing and large new markets where our products are needed. We will work with international disease advocates to deploy our products into emerging markets including APAC, where there is a critical need for them.*

*Resonance Health remains at the forefront of AI in healthcare and with additional human resources we will more proactively engage and educate channel partners, customers, clinicians, and key opinion leaders.*

*The Company is in a strong financial position with operational cashflow from sales, \$8.7m in cash reserves (30 June 2021), and no debt. We will use this to fund market penetration initiatives both in existing markets and as-yet untapped prospective new markets, and identifying clinical trials, particularly in the endemic fatty-liver disease market.*

*We are excited about our new LiverSmart product which responds to the market’s desire for more holistic organ assessment. It provides a more complete assessment of the liver and we believe it may be eligible for new CPT codes which would be another milestone on the pathway to USA reimbursement.”*

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

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[1] <https://www.transparencymarketresearch.com/ai-in-medical-imaging-market.html>

[2] <https://www.nature.com/articles/s41746-020-00324-0>

[3] [Sayiner M, Koenig A, Henry L, Younossi ZM. Epidemiology of nonalcoholic fatty liver disease and nonalcoholic steatohepatitis in the United States and the rest of the world. Clinics in Liver Disease. 2016;20:205-214](#)

## 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 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 USA, Europe, and Australia and to proudly carry ISO 13485 certification for the design and manufacture of medical devices. A number of these SaMD products incorporate the use of Artificial Intelligence (**AI**):

- **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 LIC 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 CT scans of patients with suspected pulmonary embolism.