

**EMvision Medical Devices Ltd**  
**Appendix 4D**  
**Half-year report**

**1. Company details**

Name of entity:	EMvision Medical Devices Ltd
ABN:	38 620 388 230
Reporting period:	For the half-year ended 31 December 2018
Previous period:	For the half-year ended 31 December 2017

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**2. Results for announcement to the market**

The company has adopted Accounting Standards AASB 9 'Financial Instruments' and AASB 15 'Revenue from Contracts with Customers' for the half-year ended 31 December 2018. The Accounting Standards were adopted using the modified retrospective approach and as such comparatives have not been restated.

					\$
Revenues from ordinary activities	up	4656389%	to	675,642	
Loss for the period	up	423%	to	(1,633,693)	
Loss to the owners of EMvision Medical Devices Ltd	up	423%	to	(1,633,693)	

*Dividends*

No dividends were paid in the period.

*Comments*

The loss for the company amounted to \$1,633,693 (31 December 2017: \$312,449).

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**3. Net tangible assets**

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	<u>9.39</u>	<u>2.54</u>

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**4. Control gained over entities**

Not applicable.

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**5. Loss of control over entities**

Not applicable.

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**6. Details of associates and joint venture entities**

Not applicable.

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**7. Audit qualification or review**

*Details of audit/review dispute or qualification (if any):*

The financial statements were subject to a review by the auditors and the review report is attached as part of the Interim Report.

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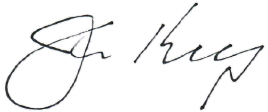
**8. Attachments**

*Details of attachments (if any):*

The Interim Report of EMvision Medical Devices Ltd for the half-year ended 31 December 2018 is attached.

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**9. Signed**

Signed  \_\_\_\_\_

Date: 26 February 2019

John Keep  
Director  
Brisbane

**EMvision Medical Devices Ltd**

**ABN 38 620 388 230**

**Interim Report - 31 December 2018**

**EMvision Medical Devices Ltd**  
**Directors' report**  
**31 December 2018**

The directors present their report, together with the financial statements, of EMvision Medical Devices Ltd (referred to hereafter as the 'company') at the end of, or during, the half-year ended 31 December 2018.

**Directors**

The following persons were directors of EMvision Medical Devices Ltd during the whole of the financial half-year and up to the date of this report, unless otherwise stated:

Scott Kirkland  
Ryan Laws  
Geoff Pocock  
John Keep  
Tony Keane

**Principal activities**

During the financial half-year the principal continuing activities of the company consisted of research and development of medical imaging and diagnostic technology previously licensed and subsequently acquired from Uniquet Pty Limited ('Uniquet') (the 'EMvision Technology'), for the purpose of commercialising a portable medical device for stroke diagnosis and monitoring as well as other medical imaging needs.

**Review of operations**

EMvision Medical Devices Limited ("EMV") was admitted to the Official List of ASX Limited ('ASX') on Tuesday 11 December 2018.

The loss for the company for the half-year amounted to \$1,633,693.

During the half-year the company had grant income of \$583,990 from a Cooperative Research Centre Program ('CRCP') grant and other income of \$91,667 being contributions from participants in the CRCP.

Operating expenses during the half-year principally related to research and developments costs associated with the EMvision Technology, employee expenses, general corporate overhead and costs associated with a listing of the company on the Australian Securities Exchange ('ASX').

Operating cash outflows for the half-year were \$758,011. Financing cash inflows for the period were \$5,584,665 as the company raised \$6,000,000 (before share issue costs) pursuant to the offer under its prospectus by the issue of 24,000,000 shares at an issue price of \$0.25 per share.

The company had a net asset position at 31 December 2018 of \$5,883,828. The net asset position included a \$480,000 intangible asset being patents for the EMvision Technology.

During the half-year the company varied its License Agreement with UniQuest Pty Ltd (UniQuest) and entered into an IP Assignment Deed whereby UniQuest assigns the Licensed IP to the company upon satisfaction of a number of conditions precedent. The company confirms that the conditions precedent were satisfied during the half-year and the company now owns the patents previously licensed to the company.

**EMvision Medical Devices Ltd**  
**Directors' report**  
**31 December 2018**

**Significant changes in the state of affairs**

There were no significant changes in the state of affairs of the company during the financial half-year.

**Matters subsequent to the end of the financial half-year**

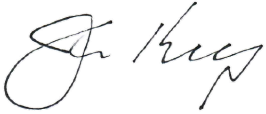
No matter or circumstance has arisen since 31 December 2018 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial periods.

**Auditor's independence declaration**

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on the following page.

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the directors



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John Keep  
Director

26 February 2019  
Brisbane

**DECLARATION OF INDEPENDENCE BY ARTHUR MILNER TO THE DIRECTORS OF EMVISION MEDICAL DEVICES LTD**

As lead auditor for the review of EMvision Medical Devices Ltd for the half-year ended 31 December 2018, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.



Arthur Milner  
Partner

**BDO East Coast Partnership**

Sydney, 26 February 2019

# **EMvision Medical Devices Ltd**

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**31 December 2018**

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Statement of financial position

Statement of changes in equity

Statement of cash flows

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Directors' declaration

Independent auditor's review report

## **General information**

The financial statements cover EMvision Medical Device Ltd. The financial statements are presented in Australian dollars, which is EMvision Medical Device Ltd 's functional and presentation currency.

EMvision Medical Device Ltd is a listed public company limited by shares, incorporated and domiciled in Australia.

Its registered office and principal place of business are:

### **Registered office**

BDO (QLD) Pty Ltd  
Level, 10, 12 Creek Street  
Brisbane QLD 4000

### **Principal place of business**

Suite 6, 29 The Avenue  
Nedlands WA 6009

A description of the nature of the company's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 26 February 2019.

**EMvision Medical Devices Ltd**  
**Statement of profit or loss and other comprehensive income**  
**For the half-year ended 31 December 2018**

	<b>Note</b>	<b>31 Dec 2018</b>	<b>31 Dec 2017</b>
		<b>\$</b>	<b>\$</b>
<b>Revenue</b>			
Grant income		583,990	-
Other income		91,667	-
Interest income		-	15
<b>Expenses</b>			
Administration expenses		(348,123)	(32,408)
Employee expenses		(417,056)	-
Research and development costs		(876,142)	(280,029)
Finance costs		(428)	(27)
Share based payments		(667,601)	-
<b>Loss before income tax expense</b>		<b>(1,633,693)</b>	<b>(312,449)</b>
Income tax expense		-	-
<b>Loss after income tax expense for the half-year</b>		<b>(1,633,693)</b>	<b>(312,449)</b>
Other comprehensive income for the half-year, net of tax		-	-
<b>Total comprehensive loss for the half-year</b>		<b>(1,633,693)</b>	<b>(312,449)</b>
		<b>Cents</b>	<b>Cents</b>
Basic and diluted losses per share		(4.47)	(2.79)

*The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes*



**EMvision Medical Devices Ltd**  
**Statement of financial position**  
**As at 31 December 2018**

	<b>Note</b>	<b>31 Dec 2018</b> \$	<b>30 Jun 2018</b> \$
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents		5,844,726	1,018,072
Trade receivables		50,417	50,417
Other current assets		107,682	66,226
<b>Total current assets</b>		<u>6,002,825</u>	<u>1,134,715</u>
<b>Non-current assets</b>			
Intangibles	2	<u>480,000</u>	<u>480,000</u>
<b>Total non-current assets</b>		<u>480,000</u>	<u>480,000</u>
<b>Total assets</b>		<u>6,482,825</u>	<u>1,614,715</u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables		577,859	335,610
Employee provisions		21,138	-
<b>Total current liabilities</b>		<u>598,997</u>	<u>335,610</u>
<b>Total liabilities</b>		<u>598,997</u>	<u>335,610</u>
<b>Net assets</b>		<u><u>5,883,828</u></u>	<u><u>1,279,105</u></u>
<b>Equity</b>			
Issued capital	3	7,712,769	2,124,145
Reserves	4	649,792	-
Accumulated losses	5	<u>(2,478,733)</u>	<u>(845,040)</u>
<b>Total equity</b>		<u><u>5,883,828</u></u>	<u><u>1,279,105</u></u>

*The above statement of financial position should be read in conjunction with the accompanying notes*

**EMvision Medical Devices Ltd**  
**Statement of changes in equity**  
**For the half-year ended 31 December 2018**

	<b>Issued capital \$</b>	<b>Reserves \$</b>	<b>Accumulated losses \$</b>	<b>Total equity \$</b>
<b>Balance at 11 July 2017</b>	-	-	-	-
Loss after income tax expense for the half-year	-	-	(312,449)	(312,449)
Other comprehensive income for the half-year, net of tax	-	-	-	-
<b>Total comprehensive loss for the half-year</b>	-	-	(312,449)	(312,449)
Transactions with owners in their capacity as owners:				
Contributions of equity, net of transaction costs	827,463	-	-	827,463
Share-based payments	480,000	-	-	480,000
<b>Balance at 31 December 2017</b>	<u>1,307,463</u>	<u>-</u>	<u>(312,449)</u>	<u>995,014</u>
<b>Balance at 1 July 2018</b>	2,124,145	-	(845,040)	1,279,105
Loss after income tax expense for the half-year	-	-	(1,633,693)	(1,633,693)
Other comprehensive income for the half-year, net of tax	-	-	-	-
<b>Total comprehensive loss for the half-year</b>	-	-	(1,633,693)	(1,633,693)
Transactions with owners in their capacity as owners:				
Contributions of equity, net of transaction costs	5,288,401	-	-	5,288,401
Share-based payments	300,223	649,792	-	950,015
<b>Balance at 31 December 2018</b>	<u>7,712,769</u>	<u>649,792</u>	<u>(2,478,733)</u>	<u>5,883,828</u>

*The above statement of changes in equity should be read in conjunction with the accompanying notes*

**EMvision Medical Devices Ltd**  
**Statement of cash flows**  
**For the half-year ended 31 December 2018**

	<b>Note</b>	<b>31 Dec 2018</b>	<b>31 Dec 2017</b>
		<b>\$</b>	<b>\$</b>
<b>Cash flows from operating activities</b>			
Grant income received (inclusive of GST)		675,657	-
Payments to suppliers and employees (inclusive of GST)		(1,433,240)	(266,728)
Interest received		-	15
Interest and other finance costs paid		(428)	(27)
<b>Net cash (used in) operating activities</b>		<u>(758,011)</u>	<u>(266,740)</u>
<b>Cash flows from investing activities</b>		<u></u>	<u></u>
<b>Net cash provided by/(used in) investing activities</b>		<u>-</u>	<u>-</u>
<b>Cash flows from financing activities</b>			
Proceeds from issue of shares, net of share issue costs		<u>5,584,665</u>	<u>827,463</u>
<b>Net cash provided by financing activities</b>		<u>5,584,665</u>	<u>827,463</u>
<b>Net increase in cash and cash equivalents</b>		<u>4,826,654</u>	<u>560,723</u>
Cash and cash equivalents at the beginning of the financial half-year		<u>1,018,072</u>	<u>-</u>
<b>Cash and cash equivalents at the end of the financial half-year</b>		<u><u>5,844,726</u></u>	<u><u>560,723</u></u>

*The above statement of cash flows should be read in conjunction with the accompanying notes*

**Note 1. Significant accounting policies**

These general purpose financial statements for the interim half-year reporting period ended 31 December 2018 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2018 and any public announcements made by the company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

**New, revised or amending Accounting Standards and Interpretations adopted**

The company has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board that are mandatory for the current reporting period. The adoption of these Accounting Standards and Interpretations has not resulted in a significant or material change to the company's accounting policies.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

31 Dec 2018	30 Jun 2018
\$	\$

**Note 2. Non-current assets – intangibles**

Intangibles (owned patents)	480,000	480,000
Amortisation *	-	-
	<u>480,000</u>	<u>480,000</u>

\* The company has yet to ascribe an estimated useful life of the intangibles for amortisation purposes as the patents are provisional and the technology subject to research and development before being available to be commercialised.

**EMvision Medical Devices Ltd**  
**Notes to the financial statements**  
**31 December 2018**

**Note 3. Equity - issued capital**

	<b>31 Dec 2018</b>	<b>30 Jun 2018</b>	<b>31 Dec 2018</b>	<b>30 Jun 2018</b>
	<b>Shares</b>	<b>Shares</b>	<b>\$</b>	<b>\$</b>
Ordinary shares - fully paid	<u>57,578,750</u>	<u>31,453,750</u>	<u>7,712,769</u>	<u>2,124,145</u>

**Movements in ordinary shares**

	<b>No of shares</b>	<b>Issue price</b>	<b>\$</b>
<b>Opening balance 1 July 2018</b>	31,453,750		2,124,145
Issue of shares – key management personnel *	1,000,000	0.12	120,223
Issue of shares – key management personnel	1,125,000	0.16	180,000
Issue of shares – initial public offering	24,000,000	0.25	6,000,000
Share issue transaction costs, net of tax	-		(711,599)
<b>Closing balance 31 December 2018</b>	<u>57,578,750</u>		<u>7,712,769</u>

\* On 6 July 2018, the company entered into a non-recourse loan agreement with Dr Ron Weinberger (key management personnel) to purchase 1,000,000 ordinary shares. The fair value of the share-based payment was \$120,223.

	<b>31 Dec 2018</b>	<b>30 Jun 2018</b>
	<b>\$</b>	<b>\$</b>

**Note 4. Equity - reserves**

Option reserve	<u>649,792</u>	<u>-</u>
	<u>649,792</u>	<u>-</u>

*Option reserve*

The option reserve records items recognised as expenses on the valuation of share options.

*Movements in reserves*

Movements in each class of reserve during the half year are set out below:

	<b>No of Options</b>	<b>Value</b>
		<b>\$</b>
<b>Balance at 1 July 2018</b>	-	-
<i>New options issued during the half-year</i>		
Options issued to directors, employees and contractors	5,500,000	367,378
Options issued to lead manager *	<u>2,000,000</u>	<u>282,414</u>
<b>Balance at 31 December 2018</b>	<u>7,500,000</u>	<u>649,792</u>

\* Fair value of Options issued to the lead manager were treated as share issue costs in the statement of changes in equity.

**31 Dec 2018**    **30 Jun 2018**  
**\$**                      **\$**

**Note 5. Equity – Accumulated losses**

Accumulated losses at the beginning of the financial year	(845,040)	-
Loss after income tax expense for the year	<u>(1,633,693)</u>	<u>(845,040)</u>
Accumulated losses at the end of the financial year	<u><u>(2,478,733)</u></u>	<u><u>(845,040)</u></u>

**Note 6. Performance shares**

On 25 September 2018, the Company issued 6,000,000 performance shares to UniQuest. The performance shares convert to ordinary shares upon achievement of certain performance milestones as follows:

- (i) Class A Performance shares: 1,800,000 performance shares will vest upon the completion of the first Successful Clinical Trial for a Licensed Product on patients (excluding healthy volunteers) for head or neck.
- (ii) Class B Performance shares: 2,100,000 performance shares will vest upon the issue of the first regulatory approval for any Licensed Product in any of Australia, North America or Europe for the head or neck.
- (iii) Class C Performance shares: 2,100,000 performance shares will vest upon the completion of the Successful Pivotal Clinical Trial for a Licensed Product for the torso.

No value has been allocated to the performance shares due to the significant uncertainty of meeting the performance milestones which are based on future events. To date, none of the milestones have been met.

**Note 7. Contingent assets and liabilities**

The company does not have any contingent liabilities at 31 December 2018.

The company has the following contingent assets at 31 December 2018:

- under the CRCP grant the Company is due to receive \$1,615,000 in cash contributions from the Australian commonwealth government (\$742,750 within one year and \$872,250 later than 1 year but not later than 5 years) subject to the Company meeting research expenditure commitments and making satisfactory progress on the research program milestones. Funds received are required to be applied to the Company's portable brain scanner for early stroke detection and monitoring research program; and
- under the CRCP grant the Company is due to receive \$726,666 in cash contributions from the research program's partner participants, UQ, GE Healthcare Australia Pty Limited and Metro South Hospital and Health Service (\$183,333 within one year and \$543,332 later than 1 year but not later than 5 years).

**Note 8. Commitments**

**2018**  
**\$**

*CRCP grant cash contribution commitments*

Committed at the reporting date but not recognised as liabilities, payable:

Within one year	1,130,387
Later than 1 year but not later than 5 years	<u>784,587</u>
Total	<u><u>1,914,974</u></u>

**Note 9. Events after the reporting period**

No matter or circumstance has arisen since 31 December 2018 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.


**EMvision Medical Devices Ltd**  
**Directors' declaration**  
**31 December 2018**

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the company's financial position as at 31 December 2018 and of its performance for the half-year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the directors



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John Keep  
Director

26 February 2019  
Brisbane

## INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of EMvision Medical Devices Ltd

### Report on the Half-Year Financial Report

#### Conclusion

We have reviewed the half-year financial report of EMvision Medical Devices Ltd (the Company), which comprises the statement of financial position as at 31 December 2018, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the half-year then ended, notes comprising a statement of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of the Company is not in accordance with the *Corporations Act 2001* including:

- (i) Giving a true and fair view of the Company's financial position as at 31 December 2018 and of its financial performance for the half-year ended on that date; and
- (ii) Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

#### Directors' responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

#### Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Company's financial position as at 31 December 2018 and its performance for the half-year ended on that date and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of the Company, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards





and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

#### **Independence**

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's review report.

**BDO East Coast Partnership**

BDO  
  
**Arthur Milner**  
**Partner**

Sydney, 26 February 2019