

ASX Release

EMvision Medical Devices Ltd
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HALF YEARLY REPORT & CEO UPDATE

EMVision Medical Devices Limited (ASX: EMV) (“EMVision” or the “Company”), a medical device company focused on the development and commercialisation of medical imaging technology, today released its Appendix 4D and Interim Report for the half-year ended 31 December 2019 and is pleased to provide the following CEO Update to shareholders.

Dear Shareholders,

There have been many achievements in the period since we listed on the ASX in December 2018, and we have been able to meet our milestones as planned. Taking a prototype of our complexity from the lab to a device that is designed for and meets the primary clinical needs in 12 months, is a significant feat in our industry.

We are pleased with the early progress of our clinical trial and the acquisition of stroke patient data to date. Our clinical prototype has been well tolerated by both the clinicians operating it and the stroke patients participating in our study. We have been pleased with the rate of suitable patient participation into the study and do not foresee any challenges meeting our patient enrolment targets within our desired study timeframe. Our imaging algorithm team eagerly look forward to processing and analysing the datasets acquired.

We have worked to ensure that we are as well prepared as possible for our future clinical and commercial needs. To this end we brought on Ruth Cremin as Head of Regulatory and Quality Management with extensive experience in prosecuting international medical device regulatory applications. Ruth has already initiated discussions with the FDA and as our device is further developed, she will start discussions with other regulatory bodies. We have also begun recruiting for key in-house engineering roles for commercial product development, including a Senior Systems Engineer and Test Engineers.

As advised in our “Entry Into Clinic” ASX release in December 2019, EMVision held meetings with senior executives of the world’s largest medical imaging manufacturers at the Radiological Society of North America’s 105th Scientific Assembly and Annual Meeting in Chicago. These meetings supported that we are addressing a problem of significant need for which there is no solution in the market today. We anticipate continuing these discussions. Receiving validation from these companies and clinical partners, such as the Australian Stroke Alliance, indicate that we have the potential to build a significant business with a unique value proposition.

Our commercial partnerships are world class and Keysight is critical to developing a customised and best in class Vector Network Analysis (VNA) unit that meets our needs at the right price and footprint. The relationship we have with them is outstanding and communication has been excellent.

2020 will be a watershed year as we generate data from stroke patients, and we look forward to continuing this exciting journey with you.

Ron Weinberger
Chief Executive Officer

This release is approved by the Board of the Company.

[ENDS]

For further information, media or investor enquiries, please contact:

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Scott Kirkland
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About EMVision Medical Devices

EMVision Medical Devices Limited is focused on the development and commercialisation of medical imaging technology. The Company is developing and seeking to commercialise a potentially cost effective, portable, medical imaging device using electromagnetic microwave imaging for diagnosis and monitoring of stroke and other medical applications. The technology is the result of over 10 years of development by researchers at the University of Queensland. The team of approximately 30 researchers is led by co-inventors Professor Amin Abbosh, who is considered a global leader in electromagnetic microwave imaging, along with Professor Stuart Crozier, who created technology central to most MRI machines manufactured since 1997. EMVision's CEO, Dr Ron Weinberger, is the Former Executive Director and CEO of Nanosonics' (ASX:NAN), a \$2 billion market cap healthcare company. Dr Weinberger has over 25-years' experience developing and commercialising medical devices. During his time at Nanosonics, Dr Weinberger co-developed the company's platform technology and launched their breakthrough product 'Trophon' globally, which would go on to become the gold standard for infection prevention. Dr Weinberger was instrumental in transforming Nanosonics from a research and development company to one of Australia's leading medical device commercialisation success stories.

Forward-looking Statements

This release may contain certain forward-looking statements with respect to matters including but not limited to the financial condition, results of operations and business of EMVision and certain of the plans and objectives of EMVision with respect to these items. These forward-looking statements are not historical facts but rather are based on EMVision's current expectations, estimates and projections about the industry in which EMVision operates, and its beliefs and assumptions. Words such as "anticipates," "expects," "intends," "plans," "believes," "seeks," "estimates", "guidance" and similar expressions are intended to identify forward looking statements and should be considered an at-risk statement. Such statements are subject to certain risks and uncertainties, particularly those risks or uncertainties inherent in the process of developing technology and in the endeavour of building a business around such products and services. These statements are not guarantees of future performance and are subject to known and unknown risks, uncertainties and other factors, some of which are beyond the control of EMVision, are difficult to predict and could cause actual results to differ materially from those expressed or forecasted in the forward looking statements. EMVision cautions shareholders and prospective shareholders not to place undue reliance on these forward-looking statements, which reflect the view of EMVision only as of the date of this release. The forward-looking statements made in this announcement relate only to events as of the date on which the statements are made. EMVision will not undertake any obligation to release publicly any revisions or updates to these forward-looking statements to reflect events, circumstances or unanticipated events occurring after the date of this announcement except as required by law or by any appropriate regulatory authority.

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 2019
Previous period:	For the half-year ended 31 December 2018

2. Results for announcement to the market

The company has adopted Accounting Standard AASB 16 'Leases' for the half-year ended 31 December 2019 using the modified retrospective approach and as such comparatives have not been restated.

					\$
Income	up	67%	to		1,127,760
Loss for the period	up	11%	to		1,805,440
Loss to the owners of EMVision Medical Devices Ltd	up	11%	to		1,805,440

Dividends

No dividends were paid in the period.

Comments

The loss for the company amounted to \$1,805,440 (31 December 2018: \$1,633,693).

3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	<u>10.46</u>	<u>9.39</u>

4. Control gained over entities

Not applicable.

5. Loss of control over entities

Not applicable.

6. Details of associates and joint venture entities

Not applicable.

7. Audit qualification or review

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

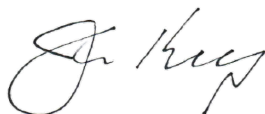
The financial statements were subject to a review by the auditors and the review report is attached as part of the Interim Report.

8. Attachments

Details of attachments (if any):

The Interim Report of EMVision Medical Devices Ltd for the half-year ended 31 December 2019 is attached.

9. Signed



Signed _____

Date: 27 February 2020

John Keep
Director
Brisbane

EMVision Medical Devices Ltd

ABN 38 620 388 230

Interim Report - 31 December 2019

EMVision Medical Devices Ltd
Directors' report
31 December 2019

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 2019.

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 acquired from Uniquist Pty Limited ('Uniquist') (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

The loss for the company for the half-year amounted to \$1,805,440. (31 December 2018: \$1,633,693)

During the half-year the company had grant income of \$374,750 from a Cooperative Research Centre Program ('CRCP') grant and other income of \$91,667 being contributions from participants in the CRCP. The company also received a cash refund during the year of \$657,707 from its R&D Tax incentive claim for the year ended 30 June 2019. The Australian Commonwealth Government's R&D Tax incentive program provides a cash refund on eligible research and development activities performed by Australian companies.

Operating expenses during the half-year principally related to research and development costs associated with the EMVision Technology, employee expenses, general corporate overheads and non-cash share based payments associated with the issue of options.

Operating cash outflows for the half-year were \$1,754,797. Financing cash inflows for the period were \$4,247,992 as the company raised \$4,500,001 (before share issue costs) by the issue of 6,081,082 shares at an issue price of \$0.74 per share.

The company had a net asset position at 31 December 2019 of \$7,136,697. The net asset position included a \$480,000 intangible asset being a patent for the EMVision Technology.

As an early stage company, the company's business model is highly dependent on the achievement of continued technical development success as well as future funding, customer engagement and general financial and economic factors.

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 2019 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 page following the directors' report.

EMVision Medical Devices Ltd
Directors' report
31 December 2019

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

A handwritten signature in black ink, appearing to read 'John Keep', written over a horizontal line.

John Keep
Director

27 February 2020
Brisbane

DECLARATION OF INDEPENDENCE BY LEAH RUSSELL 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 2019, 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.



Leah Russell
Partner

BDO East Coast Partnership

Sydney, 27 February 2020

EMVision Medical Devices Ltd

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General information

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

EMVision Medical Devices 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

72 Victoria Road
Rozelle 2039 NSW

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 27 February 2020.

EMVision Medical Devices Ltd
Statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2019

	Note	31 Dec 2019	31 Dec 2018
		\$	\$
Income			
Grant income		374,750	583,990
Other income		91,667	91,667
R&D rebate		657,707	-
Interest income		3,636	-
Expenses			
Administration expenses		(440,445)	(348,123)
Employee expenses		(650,050)	(417,056)
Research and development costs		(1,751,385)	(876,142)
Finance costs		(368)	(428)
Share based payments		(90,952)	(667,601)
Loss before income tax expense		(1,805,440)	(1,633,693)
Income tax expense		-	-
Loss after income tax expense for the half-year		(1,805,440)	(1,633,693)
Other comprehensive income for the half-year, net of tax		-	-
Total comprehensive loss for the half-year		<u>(1,805,440)</u>	<u>(1,633,693)</u>
		Cents	Cents
Basic and diluted losses per share		(3.04)	(4.47)

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 2019

	Note	31 Dec 2019 \$	30 Jun 2019 \$
Assets			
Current assets			
Cash and cash equivalents		6,876,537	4,383,342
Trade receivables		50,417	50,417
Other current assets		162,348	149,489
Total current assets		<u>7,089,302</u>	<u>4,583,248</u>
Non-current assets			
Intangibles	2	<u>480,000</u>	<u>480,000</u>
Total non-current assets		<u>480,000</u>	<u>480,000</u>
Total assets		<u>7,569,302</u>	<u>5,063,248</u>
Liabilities			
Current liabilities			
Trade and other payables		367,209	419,749
Employee provisions		65,396	40,306
Total current liabilities		<u>432,605</u>	<u>460,055</u>
Total liabilities		<u>432,605</u>	<u>460,055</u>
Net assets		<u>7,136,697</u>	<u>4,603,193</u>
Equity			
Issued capital	3	11,922,184	7,708,635
Reserves	4	824,355	698,960
Accumulated losses	5	<u>(5,609,842)</u>	<u>(3,804,402)</u>
Total equity		<u>7,136,697</u>	<u>4,603,193</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 2019

	Note	Issued capital \$	Reserves \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2018		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		-	-	-	-
Total comprehensive loss for the half-year		-	-	(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
Balance at 31 December 2018		<u>7,712,769</u>	<u>649,792</u>	<u>(2,478,733)</u>	<u>5,883,828</u>
Balance at 1 July 2019		7,708,635	698,960	(3,804,402)	4,603,193
Loss after income tax expense for the half-year		-	-	(1,805,440)	(1,805,440)
Other comprehensive income for the half-year, net of tax		-	-	-	-
Total comprehensive loss for the half-year		-	-	(1,805,440)	(1,805,440)
Transactions with owners in their capacity as owners:					
Contributions of equity, net of transaction costs	3	4,213,549	-	-	4,213,549
Share-based payments	4	-	125,395	-	125,395
Balance at 31 December 2019		<u>11,922,184</u>	<u>824,355</u>	<u>(5,609,842)</u>	<u>7,136,697</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 2019

	Note	31 Dec 2019	31 Dec 2018
		\$	\$
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		1,124,124	675,657
Payments to suppliers and employees (inclusive of GST)		(2,882,189)	(1,433,240)
Interest received		3,636	-
Interest and other finance costs paid		(368)	(428)
Net cash (used in) operating activities		<u>(1,754,797)</u>	<u>(758,011)</u>
Cash flows from investing activities		<u></u>	<u></u>
Net cash provided by/(used in) investing activities		<u>-</u>	<u>-</u>
Cash flows from financing activities			
Proceeds from issue of shares, net of share issue costs		4,247,992	5,584,665
Net cash provided by financing activities		<u>4,247,992</u>	<u>5,584,665</u>
Net increase in cash and cash equivalents		2,493,195	4,826,654
Cash and cash equivalents at the beginning of the financial half-year		<u>4,383,342</u>	<u>1,018,072</u>
Cash and cash equivalents at the end of the financial half-year		<u><u>6,876,537</u></u>	<u><u>5,844,726</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 2019 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 2019 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. The company's accounting policy for its research and development tax incentive income is stated below.

Income

R&D Rebate

Research and development tax incentive income is recognised at a point in time when it is received or when the right to receive payment is established.

New or amended Accounting Standards and Interpretations adopted

The company has adopted all of the new or amended 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 or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

The adoption of AASB 16 Leases did not have any significant impact on the financial performance or position of the company as it only had short term leases of 12 months or less.

	31 Dec 2019	30 Jun 2019
	\$	\$

Note 2. Non-current assets – intangibles

Intangibles (provisional patent acquired)	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 commercialised and available for use.

Under the terms of the agreement to acquire the intangible asset, the Company is required to pay the vendor a royalty of 3.5% on net sales. The Company is also required to pay 10% royalty on any net consideration received for the grant of sub-licences, options, marketing or distribution rights and any settlement, lost profits or damages awarded for infringement of the licenced intellectual property. Furthermore, once the Company obtains regulatory approval for a licensed product in Australia, North America or Europe, and worldwide commercial sales of 20 units of a licensed product, the Company will be required to pay \$20,000 annually until the last of the patent rights comprising the licensed intellectual property expires.

EMVision Medical Devices Ltd
Notes to the financial statements
31 December 2019

Note 3. Equity - issued capital

	31 Dec 2019	30 Jun 2019	31 Dec 2019	30 Jun 2019
	Shares	Shares	\$	\$
Ordinary shares - fully paid	<u>63,659,832</u>	<u>57,578,750</u>	<u>11,922,184</u>	<u>7,708,635</u>

Movements in ordinary shares

	No of shares	Issue price	\$
Opening balance 1 July 2019	57,578,750		7,708,635
Issue of shares – placement	6,081,082	0.74	4,500,001
Share issue transaction costs, net of tax	-		(286,452)
Closing balance 31 December 2019	<u>63,659,832</u>		<u>11,922,184</u>

	31 Dec 2019	30 Jun 2019
	\$	\$

Note 4. Equity - reserves

Option reserve	<u>824,355</u>	<u>698,960</u>
	<u>824,355</u>	<u>698,960</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:

	No of Options	Value
		\$
Balance at 1 July 2019	7,500,000	698,960
<i>Options issued during a previous period vesting over multiple periods</i>		
Options issued to directors, employees and contractors	-	37,056
<i>New options issued during the half-year</i>		
Options issued to directors, employees and contractors	400,000	53,896
Options issued to lead manager *	<u>115,000</u>	<u>34,443</u>
Balance at 31 December 2019	<u>8,015,000</u>	<u>824,355</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 2019 **30 Jun 2019**
\$ **\$**

Note 5. Equity – Accumulated losses

Accumulated losses at the beginning of the financial period	(3,804,402)	(845,040)
Loss after income tax expense for the period/year (comparative is full financial year)	<u>(1,805,440)</u>	<u>(2,959,362)</u>
Accumulated losses at the end of the financial period	<u><u>(5,609,842)</u></u>	<u><u>(3,804,402)</u></u>

Note 7. Contingent assets and liabilities

The company does not have any contingent liabilities at 31 December 2019.

The company has the following contingent assets at 31 December 2019:

- under the CRCP grant the Company is due to receive \$872,280 in cash contributions from the Australian Commonwealth Government 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 \$543,334 in cash contributions from the research program's partner participants, UQ, GE Healthcare Australia Pty Limited and Metro South Hospital and Health Service (\$271,667 within one year and \$271,667 later than 1 year but not later than 5 years).

Note 8. Segment information

The company identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors (chief operating decision makers) in assessing performance and determining the allocation of resources. The information presented in the financial report is the same information that is viewed by the Board of Directors.

The company is currently operating in one business segment being research and development of medical device technology and one geographic segment being Australia.

Note 9. Events after the reporting period

No matter or circumstance has arisen since 31 December 2019 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 2019

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 2019 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



John Keep
Director

27 February 2020
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 2019, 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 2019 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 2019 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

A handwritten signature in black ink that reads 'Leah Russell'.

Leah Russell

Partner

Sydney, 27 February 2020