

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 2022
Previous period:	For the half-year ended 31 December 2021

2. Results for announcement to the market

					\$
Income	up	45%	to		4,973,527
Loss for the period	down	63%	to		758,509
Loss to the owners of EMVision Medical Devices Ltd	down	63%	to		758,509

Dividends

No dividends were paid in the period.

Comments

The loss for the company for the half-year amounted to \$758,509. (31 Dec 2021: \$2,029,598)

During the half-year the company had increased grant income of \$2,442,661 (31 Dec 2021: \$1,260,000) generated from grants from the Australian Stroke Alliance Limited ("ASA") \$1,800,000 (31 Dec 2021: \$1,200,000) and the Modern Manufacturing Initiative Medical Products Manufacturing Translation Stream ("MMI") \$642,661 (31 Dec 2021: Nil). During the half-year, the company was awarded \$5,000,000 in non-dilutive staged cash funding under the Federal Government's MMI Translation Stream grant program which will support the establishment of commercial production of EMVision's 1st Gen portable brain scanner. The ongoing ASA grant program supports the five-year "Golden Hour" project. The prior half-year also included grant income (\$600,000) and other income (\$180,000) from a Cooperative Research Centre Program which concluded in the prior financial year. EMVision actively pursues non-dilutive funding opportunities and is appreciative of the financial and collaborative support from its grant programs.

The company also received a cash refund during the year of \$2,501,285 (31 Dec 2021: \$1,990,373) from its R&D Tax incentive claim for the year ended 30 June 2022. 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 developments costs associated with the EMVision Technology, employee expenses, general corporate overheads and non-cash share-based payments associated with the issue of options and performance rights to Directors, management and employees and depreciation of plant and equipment and leases.

Total administration, employee and research and development costs in the half-year of \$4,060,349 (31 Dec 2021: \$3,998,036) increased slightly (+1.6%) compared to the prior period. Employee expenses include EMVision's in-house product development and research team. Research and developments costs include payments to third party research and engineering contractors, components and materials for clinical trial devices and ongoing prototyping and product development, and the company's multi-site clinical trial which commenced later in the half-year.

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Appendix 4D
Half-year report

Operating cash inflows for the half-year were \$2,919,032 (31 Dec 2021: \$43,481 outflow) with an increase in grant income (inclusive of GST) and the R&D tax rebate received in excess of total payments to suppliers and employees (inclusive of GST). Grant income cash receipts for the half-year, excluding GST, were received from the ASA \$1,800,000 and MMI \$2,000,000.

Investing cash outflows for the half-year were \$20,232 (31 Dec 2021: \$130,812) with investment in computing and lab equipment to enable some research and development activities to be brought in-house.

Financing cash outflows for the period were \$108,462 (31 Dec 2021: \$1,002,815 inflow). These included lease repayments of \$107,087 for the company's Head Office at Macquarie Park Sydney which includes small scale manufacturing facilities and some minor share issue costs.

The company had a net asset position at 31 December 2022 of \$7,821,937 (30 Jun 2022: \$7,081,321). The net asset position included a \$480,000 intangible asset being a patent for the EMVision Technology and deferred income of \$1,357,339 being the unearned portion of the \$2,000,000 funds received by the company during the half-year period in relation to the MMI Translation Stream grant. Revenue recognised for this grant amounted to \$642,661.

The company increased its cash and cash equivalents during the half-year to \$9,589,420 (30 Jun 2022: \$6,799,082) following an increase in cash received from grant programs and the company's R&D tax rebate on eligible research and development activities performed in the year ended 30 June 2022.

The impact of the Coronavirus (COVID-19) pandemic had no significant impact on the company during the half-year.

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.

3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	<u>9.45</u>	<u>8.50</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):

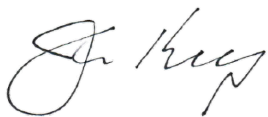
The financial statements were subject to a review by the auditors and the review report is attached as part of the Interim Report.

8. Attachments

Details of attachments (if any):

The Interim Report of EMVision Medical Devices Ltd for the half-year ended 31 December 2022 is attached.

9. Signed



Signed _____

Date: 27 February 2023

John Keep
Director
Brisbane

EMVision Medical Devices Ltd

ABN 38 620 388 230

Interim Report - 31 December 2022

EMVision Medical Devices Ltd
Directors' report
31 December 2022

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 2022.

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
Ron Weinberger
Geoff Pocock
John Keep
Tony Keane
Philip Dubois

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 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

The loss for the company for the half-year amounted to \$758,509. (31 Dec 2021: \$2,029,598)

During the half-year the company had increased grant income of \$2,442,661 (31 Dec 2021: \$1,260,000) generated from grants from the Australian Stroke Alliance Limited ("ASA") \$1,800,000 (31 Dec 2021: \$1,200,000) and the Modern Manufacturing Initiative Medical Products Manufacturing Translation Stream ("MMI") \$642,661 (31 Dec 2021: Nil). During the half-year, the company was awarded \$5,000,000 in non-dilutive staged cash funding under the Federal Government's MMI Translation Stream grant program which will support the establishment of commercial production of EMVision's 1st Gen portable brain scanner. The ongoing ASA grant program supports the five-year "Golden Hour" project. The prior half-year also included grant income (\$600,000) and other income (\$180,000) from a Cooperative Research Centre Program which concluded in the prior financial year. EMVision actively pursues non-dilutive funding opportunities and is appreciative of the financial and collaborative support from its grant programs.

The company also received a cash refund during the year of \$2,501,285 (31 Dec 2021: \$1,990,373) from its R&D Tax incentive claim for the year ended 30 June 2022. 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 developments costs associated with the EMVision Technology, employee expenses, general corporate overheads and non-cash share based payments associated with the issue of options and performance rights to Directors, management and employees and depreciation of plant and equipment and leases.

Total administration, employee and research and development costs in the half-year of \$4,060,349 (31 Dec 2021: \$3,998,036) increased slightly (+1.6%) compared to the prior period. Employee expenses include EMVision's in-house product development and research team. Research and developments costs include payments to third party research and engineering contractors, components and materials for clinical trial devices and ongoing prototyping and product development, and the company's multi-site clinical trial which commenced later in the half-year.

EMVision Medical Devices Ltd
Directors' report
31 December 2022

Operating cash inflows for the half-year were \$2,919,032 (31 Dec 2021: \$43,481 outflow) with an increase in grant income (inclusive of GST) and the R&D tax rebate received in excess of total payments to suppliers and employees (inclusive of GST). Grant income cash receipts for the half-year, excluding GST, were received from the ASA \$1,800,000 and MMI \$2,000,000.

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The company had a net asset position at 31 December 2022 of \$7,821,937 (30 Jun 2022: \$7,081,321). The net asset position included a \$480,000 intangible asset being a patent for the EMVision Technology and deferred income of \$1,357,339 being the unearned portion of the \$2,000,000 funds received by the company during the half-year period in relation to the MMI Translation Stream grant. Revenue recognised for this grant amounted to \$642,661.

The company increased its cash and cash equivalents during the half-year to \$9,589,420 (30 Jun 2022: \$6,799,082) following an increase in cash received from grant programs and the company's R&D tax rebate on eligible research and development activities performed in the year ended 30 June 2022.

The impact of the Coronavirus (COVID-19) pandemic had no significant impact on the company during the half-year.

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

The following events have occurred subsequent to the reporting date:

On 27 January 2023, the company signed a Funding Agreement with NSW Health, acting through the Health Administration Corporation, for \$2,500,000 in non-dilutive funding from the NSW Medical Devices Fund (MDF). The NSW MDF supports bringing local innovation to market, provides connectivity and access to the broader NSW healthcare system and the funding will support the company's clinical studies. Repayment of the grant is triggered upon a "commercial success" milestone defined as \$500,000 positive EBITDA. The appropriate timing and structure of any repayment of the funds is to be agreed by both parties when approaching this milestone. Interest accrues at the lower of CPI and 3.5% from 1 July 2023 until repayment, unless agreed otherwise at the annual performance review. The cash was received on 24 February 2023.

No other matters or circumstances have arisen since 31 December 2022 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.

Rounding of amounts

The company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

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 2022

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



John Keep
Director

27 February 2023
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 2022, 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
Director

BDO Audit Pty Ltd

Sydney, 27 February 2023

EMVision Medical Devices Ltd

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31 December 2022

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General information

The financial statements cover EMVision Medical Devices Ltd. The financial statements are presented in Australian dollars, which is EMVisions Medical Device 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

C/- BDO Audit Pty Ltd
Level, 10, 12 Creek Street
Brisbane QLD 4000

Principal place of business

Suite 4.01, 65 Epping Road
Macquarie Park NSW 2113

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 2023.

EMVision Medical Devices Ltd
Statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2022

	Note	31 Dec 2022 \$	31 Dec 2021 \$
Income			
Grant income		2,442,661	1,260,000
Other income		-	180,000
R&D rebate		2,501,285	1,990,373
Interest income		29,581	8,885
Expenses			
Administration expenses		(681,285)	(674,547)
Employee expenses		(2,590,030)	(2,261,692)
Research and development costs		(789,034)	(1,061,797)
Finance costs		(18,668)	(6,586)
Share based payments		(1,500,500)	(1,351,524)
Depreciation		(152,519)	(112,710)
Loss before income tax expense		(758,509)	(2,029,598)
Income tax expense		-	-
Loss after income tax expense for the half-year		(758,509)	(2,029,598)
Other comprehensive income for the half-year, net of tax		-	-
Total comprehensive loss for the half-year		<u>(758,509)</u>	<u>(2,029,598)</u>
		Cents	Cents
Basic and diluted losses per share	6	(0.90)	(2.78)

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 2022

	Note	31 Dec 2022 \$	30 Jun 2022 \$
Assets			
Current assets			
Cash and cash equivalents		9,589,420	6,799,082
Other current assets		147,223	269,807
Total current assets		<u>9,736,643</u>	<u>7,068,889</u>
Non-current assets			
Intangibles	2	480,000	480,000
Plant and equipment		195,508	226,824
Right-of-use asset		630,277	731,249
Total non-current assets		<u>1,305,785</u>	<u>1,438,073</u>
Total assets		<u>11,042,428</u>	<u>8,506,962</u>
Liabilities			
Current liabilities			
Trade and other payables		855,644	386,432
Deferred income	3	1,357,339	-
Employee provisions		314,640	270,684
Lease liabilities		218,433	196,882
Total current liabilities		<u>2,746,056</u>	<u>853,998</u>
Non-current liabilities			
Employee provisions		45,077	30,662
Lease liabilities		429,358	540,981
Total non-current liabilities		<u>474,435</u>	<u>571,643</u>
Total liabilities		<u>3,220,491</u>	<u>1,425,641</u>
Net assets		<u>7,821,937</u>	<u>7,081,321</u>
Equity			
Issued capital	4	23,293,291	23,212,364
Reserves	5	7,075,308	5,657,109
Accumulated losses		(22,546,662)	(21,788,152)
Total equity		<u>7,821,937</u>	<u>7,081,321</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 2022

	Issued capital \$	Reserves \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2021	21,400,096	4,332,825	(15,678,872)	10,054,049
Loss after income tax expense for the half-year	-	-	(2,029,598)	(2,029,598)
Other comprehensive income for the half-year, net of tax	-	-	-	-
Total comprehensive loss for the half-year	-	-	(2,029,598)	(2,029,598)
<i>Transactions with owners in their capacity as owners:</i>				
Contributions of equity, net of transaction costs	-	-	-	-
Exercise of options, net of transaction costs	1,089,620	-	-	1,089,620
Share-based payments	-	1,351,524	-	1,351,524
Fair value transfer between reserves	514,063	(514,063)	-	-
Balance at 31 December 2021	<u>23,003,779</u>	<u>5,170,286</u>	<u>(17,708,470)</u>	<u>10,465,595</u>
Balance at 1 July 2022	23,212,364	5,657,110	(21,788,153)	7,081,321
Loss after income tax expense for the half-year	-	-	(758,509)	(758,509)
Other comprehensive income for the half-year, net of tax	-	-	-	-
Total comprehensive loss for the half-year	-	-	(758,509)	(758,509)
<i>Transactions with owners in their capacity as owners:</i>				
Contributions of equity, net of transaction costs	(1,375)	-	-	(1,375)
Share-based payments	-	1,500,500	-	1,500,500
Fair value transfer between reserves	82,302	(82,302)	-	-
Balance at 31 December 2022	<u>23,293,291</u>	<u>7,075,308</u>	<u>(22,546,662)</u>	<u>7,821,937</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 2022

	Note	31 Dec 2022	31 Dec 2021
		\$	\$
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		4,180,000	1,578,000
Payments to suppliers and employees (inclusive of GST)		(3,786,257)	(3,618,032)
Research and development tax rebate received		2,501,285	1,990,373
Interest received		29,581	8,885
Interest and other finance costs paid		(5,577)	(2,807)
Net cash provided by/ (used in) operating activities		<u>2,919,032</u>	<u>(43,581)</u>
Cash flows from investing activities			
Payments for plant and equipment		<u>(20,232)</u>	<u>(130,812)</u>
Net cash provided by/(used in) investing activities		<u>(20,232)</u>	<u>(130,812)</u>
Cash flows from financing activities			
Proceeds from issue of shares, net of share issue costs		-	-
Proceeds from the exercise of options, net of share issue costs		-	1,089,620
Share issue costs		(1,375)	-
Repayment of lease liabilities		<u>(107,087)</u>	<u>(86,805)</u>
Net cash provided by/ (used in) financing activities		<u>(108,462)</u>	<u>1,002,815</u>
Net increase in cash and cash equivalents		2,790,338	828,422
Cash and cash equivalents at the beginning of the financial half-year		<u>6,799,082</u>	<u>9,689,559</u>
Cash and cash equivalents at the end of the financial half-year		<u><u>9,589,420</u></u>	<u><u>10,517,981</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 2022 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 2022 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 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.

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

Going Concern

For the period ended 31 December 2022 the entity recorded a loss from continuing operations of \$758,509 (31 Dec 2021: \$2,029,598) and had net cash inflows from operating activities of \$2,919,032 (2021: outflows of \$43,581).

The financial statements have been prepared on the basis that the entity is a going concern, which contemplates the continuity of normal business activity, realisation of assets and settlement of liabilities in the normal course of business for the following reasons:

- The entity will continue to comply with the requirements of the Project Agreement with the Australian Stroke Alliance Limited, and therefore receive funding as due under this agreement. The entity expects to receive a further \$4.4 million of grant funding under this Project Agreement in staged payments, weighted to the earlier years of a 5-year program, subject to delivery of agreed milestones;
- The entity will continue to comply with the requirements of the Funding Agreement with the Department of Industry, Science and Resources for a MMI Translation Stream grant, and therefore receive funding as due under this agreement. The entity expects to receive a further \$3.0 million of grant funding under this Funding Agreement, subject to delivery of project milestones;
- The entity received \$2.5 million in grant funding from the NSW Medical Device Fund in February 2023;
- The entity continues its pursuit of complementary federal and state grant opportunities to accelerate the different stages in the commercialisation of EMVision's novel technology portfolio;
- The entity will lodge an R&D Tax Incentive claim for eligible expenditure incurred in the year ended 30 June 2023. The Australian Commonwealth Government's R&D Tax Incentive program provides a cash refund on eligible research and development activities performed by Australian companies; and
- The entity also has the ability to manage its cashflows by reducing its discretionary expenditure to conserve cash.

Should the company not be able to continue as a going concern, it may be required to realise its assets and discharge its liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the financial statements and that the financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or liabilities that might be necessary should the entity not continue as a going concern.

31 Dec 2022 30 Jun 2022
\$ \$

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.

Note 3. Deferred income

This pertains to the unearned portion amounting to \$1,357,339 from the \$2,000,000 funds received by the company during the half-year period in relation to the MMI Translation Stream grant. Revenue recognised for this grant amounted to \$642,661.

Note 4. Equity - issued capital

	31 Dec 2022 Shares	30 Jun 2022 Shares	31 Dec 2022 \$	30 Jun 2022 \$
Ordinary shares - fully paid	<u>77,687,953</u>	<u>77,632,717</u>	<u>23,293,291</u>	<u>23,212,364</u>

Movements in ordinary shares

	Date	No of shares	Issue price	\$
Opening balance 1 July 2022		77,632,717		23,212,364
Transfer of fair value of performance rights exercised	16-Sep-2022	55,236	1.49	82,302
Share issue transaction costs, net of tax		-		(1,375)
Closing balance 31 December 2022		<u>77,687,953</u>		<u>23,293,291</u>

31 Dec 2022 30 Jun 2022
\$ \$

Note 5. Equity - reserves

Option reserve	7,003,837	5,657,110
Performance rights reserve	<u>71,471</u>	<u>-</u>
	<u>7,075,308</u>	<u>5,657,110</u>

Option reserve

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

Performance rights reserve

The performance rights reserve records items recognised as expenses on the valuation of performance rights.

EMVision Medical Devices Ltd
Notes to the financial statements
31 December 2022

Movements in reserves

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

Option reserve	No of Options	Value \$
Balance at 1 July 2022	3,550,000	5,657,110
Grant of share options during the half-year ¹	2,650,000	-
Grant of share options in prior periods vesting over multiple periods ²	-	1,346,727
Balance at 31 December 2022	6,200,000	7,003,837

¹ Options issued during the half-year. 1,350,000 of the options issued in the half-year have vested by 31 December 2022.

² Options issued in prior financial years vesting over multiple periods. 3,300,000 of the options issued in prior financial years have vested by 31 December 2022.

Performance rights reserve	No of Performance rights	Value \$
Balance at 1 July 2022	-	-
Grant of performance rights during the half-year ¹	103,203	153,773
Transfer fair value from performance rights reserve to issued capital on exercise of performance rights	(55,236)	(82,302)
Balance at 31 December 2022	47,967	71,471

¹ Performance rights issued during the half-year. All of the performance rights issued in the half-year have vested by 31 December 2022.

Note 6. Losses per share

	31 Dec 2022 \$	31 Dec 2021 \$
Loss after income tax	(758,509)	(2,029,598)
Loss after income tax attributable to the owners of EMVision Medical Devices Ltd	<u>(758,509)</u>	<u>(2,029,598)</u>
	Number	Number
Weighted average number of ordinary shares used in calculating losses per share	<u>83,882,998</u>	<u>73,060,167</u>
	Cents	Cents
Basic losses per share	(0.90)	(2.78)
Diluted losses per share	(0.90)	(2.78)

Note 7. Contingent assets and liabilities

The company has the following contingent liabilities at 31 December 2022.

- 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; and
- under a Project Agreement with the Australian Stroke Alliance Limited ("ASA"), in recognition of the funding, clinical guidance and clinical access to be contributed to EMVision by the ASA, the company is required to pay the ASA a royalty of 2% of Net Sales in respect of commercial sales of devices specifically designed and adapted for road or air ambulance for use in Australia, for a period of five years from the date on which the full amount of funding under the Project Agreement is received.

The company has the following contingent assets at 31 December 2022:

- under a Project Agreement with the Australian Stroke Alliance Limited the company is due to receive \$4,400,000 in grant income subject to achieving certain milestones and deliverables over the period up to 1 April 2026;
- under a Funding Agreement with the Department of Industry, Science and Resources for a MMI Translation Stream grant the company is due to receive \$3,000,000 in grant income to support the establishment of commercial production of EMVision's 1st Gen portable brain scanner product, subject to delivery of project milestones and deliverables over the period up to May 2024.

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

The following events have occurred subsequent to the reporting date:

On 27 January 2023, the company signed a Funding Agreement with NSW Health, acting through the Health Administration Corporation, for \$2,500,000 in non-dilutive funding from the NSW Medical Devices Fund (MDF). The NSW MDF supports bringing local innovation to market, provides connectivity and access to the broader NSW healthcare system and the funding will support the company's clinical studies. Repayment of the grant is triggered upon a "commercial success" milestone defined as \$500,000 positive EBITDA. The appropriate timing and structure of any repayment of the funds is to be agreed by both parties when approaching this milestone. Interest accrues at the lower of CPI and 3.5% from 1 July 2023 until repayment, unless agreed otherwise at the annual performance review. The cash was received on 24 February 2023.

No other matters or circumstances have arisen since 31 December 2022 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.

EMVision Medical Devices Ltd
Directors' declaration
31 December 2022

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 2022 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 2023
Brisbane

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of EMVision Medical Devices Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of EMVision Medical Devices Limited (the Company), which comprises the statement of financial position as at 31 December 2022, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, a summary 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 accompanying half-year financial report of the Company does not comply with the *Corporations Act 2001* including:

- (i) Giving a true and fair view of the Company's financial position as at 31 December 2022 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 the *Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to the audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Responsibility of the directors for the 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 gives a true and fair view and is free from material misstatement, whether due to fraud or error.



Auditor's responsibility for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether 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 2022 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*.

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.

BDO Audit Pty Ltd

BDO

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

Leah Russell
Director

Sydney, 27 February 2023