

# ASX Release

EMvision Medical Devices Ltd  
ACN 620 388 230  
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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 2020 and is pleased to provide the following CEO Update to shareholders.

Dear Shareholders,

EMVision continues to advance its program, underpinned by very encouraging results from our first clinical trial with stroke patients, at the Princess Alexandra Hospital (PAH) in Brisbane. This study has provided an excellent foundation from which we are developing our unique value proposition into a commercial product.

### **TEAM GROWTH WITH WORLD CLASS EXPERTISE**

In line with our goal of building a world class team, EMVision continues to attract new team members with outstanding expertise. To that end, in recent months we welcomed Prof Stuart Crozier, a global leader in medical imaging innovation, who will be our Chief Scientific Officer and a number of accomplished medtech experts to our product development team. This highly experienced team has a proven track record in developing medical devices that meet international regulatory standards. Whilst our in-house team is growing, we have been able to reduce our reliance on more expensive external contract services, ensuring we continue to manage our cash prudently.

### **PRODUCT DEVELOPMENT UPDATE**

Our team continues to work hard to deliver our next generation device, which will be smaller, easier to use and robust, designing for manufacture. Significant advances have been made in the fundamental design and engineering based on our trial. Algorithms have made substantial progress from our learnings in the hospital and are being coded to medical device requirements by our in-house EMVision team. Our design for the commercial product is presently in assessment with clinicians and hospital staff.

### **CLINICAL STUDIES UPDATE**

Based on the success of our initial trial and the support we have received from our investigators at PAH and stroke experts around Australia, we have decided to extend our study to a further 20 patients. Our ethics application allows for up to 50 patients to be enrolled so no further administrative work is required. We are particularly looking to increase the diversity of stroke types and also investigate potential in extended monitoring applications by the bedside. Further patient datasets for our algorithms will allow continued improvements to localisation and classification of strokes.

In parallel, we are in discussions with a number of hospital sites for our expanded clinical studies. The potential of our technology continues to see strong support from stroke experts in these hospitals.

## **FDA**

Our engagement with the FDA has been positive, with the FDA recommending the De Novo process as the most appropriate regulatory pathway for EMVision's novel portable brain scanner. The De Novo pathway is designed for low to moderate-risk, first-of-a-kind products. In parallel in engaging with the FDA on our expanded clinical studies design, we are pursuing an application for the Breakthrough Device Designation program. The Breakthrough program aims to speed development and assessment of devices that promise a more effective treatment or diagnosis for a life-threatening or irreversibly debilitating conditions. It also provides access to the new Medicare Coverage of Innovative Technology (MCIT) pathway, which pledges Medicare coverage to be provided concurrently with FDA market authorisation.

## **AUSTRALIAN STROKE ALLIANCE**

The pioneering work of the co-chairs of the Australian Stroke Alliance, Professors Donnan and Davis, with their Mobile Stroke Unit (MSU) studies have demonstrated that models of earlier triage, bypass and earlier treatment for stroke patients are particularly effective. Under the Australian Stroke Alliance program, EMVision's ultra-lightweight portable Brain Scanner offers a potentially game-changing solution. We anticipate a Medical Research Future Fund (MRFF) Frontiers competitive funding outcome and announcement this quarter.

## **HEALTH ECONOMICS ANALYSIS**

Our ongoing health economics primary and secondary market research has supported our original thinking around the potential of our first commercial product across the full spectrum of clinical applications for stroke patients. This includes the potential to improve resource utilisation and efficiencies by means of bedside imaging and rapid pre and during endovascular clot retrieval (ECR) screening, in addition to improving patient outcomes in high-risk patient subsets including those admitted to ICU at risk of bleeds, oedema and increased intracranial pressure, and patients at risk of a life-threatening bleeds post thrombolysis. Extensive independent stakeholder interviews across neurology, radiology, interventional neuroradiology, intensive care, emergency, nurse specialists and finance/billing have been conducted. There is opportunity to deliver substantial savings to hospitals and the healthcare system well beyond the cost of the product over its lifetime.

## **COMMERCIAL DISCUSSIONS**

Keysight Technologies (NYSE:KEYS) continues to deliver to plan our primary signal measurement component within our product which is developed to our specifications and substantially miniaturised. This collaboration continues to progress exceptionally well.

We continue to engage with global medical imaging and device manufacturers, who have shown significant interest in our novel technology and its potential range of applications. This engagement allows us to gain greater insight into the market opportunity and product positioning alongside more traditional imaging modalities. Our interactions have been with some of the most senior executives and decision makers at these companies, with our international visibility increasing.

We are excited about the significant progress towards our commercial goals which we have made in a relatively short time. Building an in-house team of experts, outfitting new engineering facilities in Sydney while not breaking rhythm is due to our exceptional team and the strong relationships we have with our investigators at PAH and the technology team at the University of Queensland. Our Sydney team is growing through a carefully managed process. With this new capability we are confident of continued success.

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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Executive Director  
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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 'Tropon' 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 2020 |
| Previous period:  | For the half-year ended 31 December 2019 |

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

|                                                    |    |     |    |  | \$        |
|----------------------------------------------------|----|-----|----|--|-----------|
| Income                                             | up | 48% | to |  | 1,669,995 |
| Loss for the period                                | up | 78% | to |  | 3,211,780 |
| Loss to the owners of EMVision Medical Devices Ltd | up | 78% | to |  | 3,211,780 |

*Dividends*

No dividends were paid in the period.

*Comments*

The loss for the company amounted to \$3,211,780 (31 December 2019: \$1,805,440).

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**3. Net tangible assets**

|                                           | Reporting<br>period<br>Cents | Previous<br>period<br>Cents |
|-------------------------------------------|------------------------------|-----------------------------|
| Net tangible assets per ordinary security | <u>17.54</u>                 | <u>10.46</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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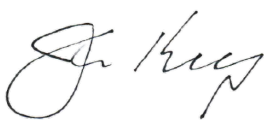
**8. Attachments**

*Details of attachments (if any):*

The Interim Report of EMVision Medical Devices Ltd for the half-year ended 31 December 2020 is attached.

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**9. Signed**



Signed \_\_\_\_\_

Date: 24 February 2021

John Keep  
Director  
Brisbane

**EMVision Medical Devices Ltd**

**ABN 38 620 388 230**

**Interim Report - 31 December 2020**

**EMVision Medical Devices Ltd**  
**Directors' report**  
**31 December 2020**

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 2020.

**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  
Ryan Laws (resigned 29 September 2020)  
Geoff Pocock  
John Keep  
Tony Keane  
Philip Dubois (appointed 29 September 2020)

**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 \$3,211,780. (31 December 2019: \$1,805,440)

During the half-year the company had grant income of \$220,760 from a Cooperative Research Centre Program ('CRCP') grant and other income of \$141,667 being contributions from participants in the CRCP of \$91,667 and COVID related Government support of \$50,000. During the half-year, the end date for the CRCP grant was extended from 31 December 2020 to 31 December 2021. The company also received a cash refund during the year of \$1,280,631 from its R&D Tax incentive claim for the year ended 30 June 2020. 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 to Directors, management and employees. The share based payment during the half-year was impacted by the requirement in the accounting standards to revise the estimate of the fair value of options at the shareholder approval date. On 6 May 2020, the company granted Director Ron Weinberger 1,000,000 options over ordinary shares with an exercise price of \$1.25 and an expiry date of 6 May 2023. The significant increase in the share price from 6 May 2020 (\$0.88) to the shareholder approval date on 26 November 2020 (\$4.00) resulted in a significant increase in the fair value of these options and the amount expensed as a non-cash share based payment during the half-year.

Operating cash outflows for the half-year were \$1,059,119. Financing cash inflows for the period were \$8,700,103 as the company raised \$9,000,000 (before share issue costs) by the issue of 6,338,028 shares at an issue price of \$1.42 per share. In addition, the company received \$320,150 from the exercise of series A and series C options.

The company had a net asset position at 31 December 2020 of \$12,889,424. The net asset position included a \$480,000 intangible asset being a patent for the EMVision Technology.

The impact of the Coronavirus (COVID-19) pandemic is ongoing, it 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:

- The impact of the Coronavirus (COVID-19) pandemic is ongoing and while it has had no significant impact on the company up to the date of this report, it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

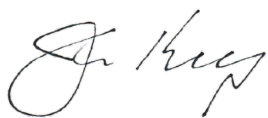
No matter or circumstance has arisen since 31 December 2020 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial periods.

**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.

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

24 February 2021  
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 2020, 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, 24 February 2021

# **EMVision Medical Devices Ltd**

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**31 December 2020**

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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**

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 24 February 2021.

**EMVision Medical Devices Ltd**  
**Statement of profit or loss and other comprehensive income**  
**For the half-year ended 31 December 2020**

|                                                          | <b>Note</b> | <b>31 Dec 2020</b>        | <b>31 Dec 2019</b>        |
|----------------------------------------------------------|-------------|---------------------------|---------------------------|
|                                                          |             | <b>\$</b>                 | <b>\$</b>                 |
| <b>Income</b>                                            |             |                           |                           |
| Grant income                                             |             | 220,760                   | 374,750                   |
| Other income                                             |             | 141,667                   | 91,667                    |
| R&D rebate                                               |             | 1,280,631                 | 657,707                   |
| Interest income                                          |             | 26,937                    | 3,636                     |
| <b>Expenses</b>                                          |             |                           |                           |
| Administration expenses                                  |             | (416,811)                 | (440,445)                 |
| Employee expenses                                        |             | (943,627)                 | (650,050)                 |
| Research and development costs                           |             | (1,642,537)               | (1,751,385)               |
| Finance costs                                            |             | (1,962)                   | (368)                     |
| Share based payments                                     |             | (1,862,958)               | (90,952)                  |
| Depreciation                                             |             | (13,880)                  | -                         |
| <b>Loss before income tax expense</b>                    |             | <b>(3,211,780)</b>        | <b>(1,805,440)</b>        |
| Income tax expense                                       |             | -                         | -                         |
| <b>Loss after income tax expense for the half-year</b>   |             | <b>(3,211,780)</b>        | <b>(1,805,440)</b>        |
| Other comprehensive income for the half-year, net of tax |             | -                         | -                         |
| <b>Total comprehensive loss for the half-year</b>        |             | <b><u>(3,211,780)</u></b> | <b><u>(1,805,440)</u></b> |
|                                                          |             | <b>Cents</b>              | <b>Cents</b>              |
| Basic and diluted losses per share                       |             | (4.64)                    | (3.04)                    |

*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 2020**

|                                      | Note | 31 Dec 2020<br>\$ | 30 Jun 2020<br>\$ |
|--------------------------------------|------|-------------------|-------------------|
| <b>Assets</b>                        |      |                   |                   |
| <b>Current assets</b>                |      |                   |                   |
| Cash and cash equivalents            |      | 13,050,019        | 5,409,035         |
| Other current assets                 |      | 187,548           | 124,618           |
| <b>Total current assets</b>          |      | <u>13,237,567</u> | <u>5,533,653</u>  |
| <b>Non-current assets</b>            |      |                   |                   |
| Intangibles                          | 2    | 480,000           | 480,000           |
| Other non-current assets             |      | 119,989           | -                 |
| Right-of-use asset                   |      | 291,478           | -                 |
| <b>Total non-current assets</b>      |      | <u>891,467</u>    | <u>480,000</u>    |
| <b>Total assets</b>                  |      | <u>14,129,034</u> | <u>6,013,653</u>  |
| <b>Liabilities</b>                   |      |                   |                   |
| <b>Current liabilities</b>           |      |                   |                   |
| Trade and other payables             |      | 799,728           | 398,593           |
| Employee provisions                  |      | 146,879           | 91,136            |
| Lease liabilities                    |      | 162,855           | -                 |
| <b>Total current liabilities</b>     |      | <u>1,109,462</u>  | <u>489,729</u>    |
| <b>Non-current liabilities</b>       |      |                   |                   |
| Lease liabilities                    |      | 130,148           | -                 |
| <b>Total non-current liabilities</b> |      | <u>130,148</u>    | <u>-</u>          |
| <b>Total liabilities</b>             |      | <u>1,239,610</u>  | <u>489,729</u>    |
| <b>Net assets</b>                    |      | <u>12,889,424</u> | <u>5,523,924</u>  |
| <b>Equity</b>                        |      |                   |                   |
| Issued capital                       | 3    | 20,789,937        | 11,963,508        |
| Reserves                             | 4    | 2,591,425         | 840,574           |
| Accumulated losses                   | 5    | (10,491,938)      | (7,280,158)       |
| <b>Total equity</b>                  |      | <u>12,889,424</u> | <u>5,523,924</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 2020**

|                                                             | <b>Issued<br/>capital<br/>\$</b> | <b>Reserves<br/>\$</b> | <b>Accumulated<br/>losses<br/>\$</b> | <b>Total<br/>equity<br/>\$</b> |
|-------------------------------------------------------------|----------------------------------|------------------------|--------------------------------------|--------------------------------|
| <b>Balance at 1 July 2019</b>                               | 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,<br>net of tax | -                                | -                      | -                                    | -                              |
| Total comprehensive loss for the half-year                  | -                                | -                      | (1,805,440)                          | (1,805,440)                    |
| Transactions with owners in their capacity as<br>owners:    |                                  |                        |                                      |                                |
| Contributions of equity, net of transaction costs           | 4,213,549                        | -                      | -                                    | 4,213,549                      |
| Share-based payments                                        | -                                | 125,395                | -                                    | 125,395                        |
| <b>Balance at 31 December 2019</b>                          | <u>11,922,184</u>                | <u>824,355</u>         | <u>(5,609,842)</u>                   | <u>7,136,697</u>               |
| <b>Balance at 1 July 2020</b>                               | 11,963,508                       | 840,574                | (7,280,158)                          | 5,523,924                      |
| Loss after income tax expense for the half-year             | -                                | -                      | (3,211,780)                          | (3,211,780)                    |
| Other comprehensive income for the half-year,<br>net of tax | -                                | -                      | -                                    | -                              |
| Total comprehensive loss for the half-year                  | -                                | -                      | (3,211,780)                          | (3,211,780)                    |
| Transactions with owners in their capacity as<br>owners:    |                                  |                        |                                      |                                |
| Contributions of equity, net of transaction costs           | 8,394,172                        | -                      | -                                    | 8,394,172                      |
| Exercise of options                                         | 320,150                          | -                      | -                                    | 320,150                        |
| Share-based payments                                        | -                                | 1,862,958              | -                                    | 1,862,958                      |
| Fair value transfer between reserves                        | 112,107                          | (112,107)              | -                                    | -                              |
| <b>Balance at 31 December 2020</b>                          | <u>20,789,937</u>                | <u>2,591,425</u>       | <u>(10,491,938)</u>                  | <u>12,889,424</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 2020**

|                                                                        | <b>Note</b> | <b>31 Dec 2020</b>       | <b>31 Dec 2019</b>      |
|------------------------------------------------------------------------|-------------|--------------------------|-------------------------|
|                                                                        |             | <b>\$</b>                | <b>\$</b>               |
| <b>Cash flows from operating activities</b>                            |             |                          |                         |
| Receipts from customers (inclusive of GST)                             |             | 1,643,058                | 1,124,124               |
| Payments to suppliers and employees (inclusive of GST)                 |             | (2,727,152)              | (2,882,189)             |
| Interest received                                                      |             | 26,937                   | 3,636                   |
| Interest and other finance costs paid                                  |             | (1,962)                  | (368)                   |
| <b>Net cash (used in) operating activities</b>                         |             | <u>(1,059,119)</u>       | <u>(1,754,797)</u>      |
| <b>Cash flows from investing activities</b>                            |             |                          |                         |
| <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                |             | 8,394,172                | 4,247,992               |
| Proceeds from the exercise of options                                  |             | 320,150                  | -                       |
| Repayment of lease liabilities                                         |             | (14,219)                 | -                       |
| <b>Net cash provided by financing activities</b>                       |             | <u>8,700,103</u>         | <u>4,247,992</u>        |
| <b>Net increase in cash and cash equivalents</b>                       |             | 7,640,984                | 2,493,195               |
| Cash and cash equivalents at the beginning of the financial half-year  |             | <u>5,409,035</u>         | <u>4,383,342</u>        |
| <b>Cash and cash equivalents at the end of the financial half-year</b> |             | <u><u>13,050,019</u></u> | <u><u>6,876,537</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 2020 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 2020 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 right-of-use assets and lease liabilities is stated below.

### **Right-of-use assets**

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the Company expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over the estimated useful life. Right-of-use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The Company has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

### **Lease liabilities**

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of-use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

### **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.

**EMVision Medical Devices Ltd**  
**Notes to the financial statements**  
**31 December 2020**

**31 Dec 2020**    **30 Jun 2020**  
**\$**                      **\$**

**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

**Note 3. Equity - issued capital**

|                              | <b>31 Dec 2020</b> | <b>30 Jun 2020</b> | <b>31 Dec 2020</b> | <b>30 Jun 2020</b> |
|------------------------------|--------------------|--------------------|--------------------|--------------------|
|                              | <b>Shares</b>      | <b>Shares</b>      | <b>\$</b>          | <b>\$</b>          |
| Ordinary shares - fully paid | <u>70,762,860</u>  | <u>63,759,832</u>  | <u>20,789,937</u>  | <u>11,963,508</u>  |

**Movements in ordinary shares**

|                                                            | <b>No of shares</b> | <b>Issue price</b> | <b>\$</b>         |
|------------------------------------------------------------|---------------------|--------------------|-------------------|
| <b>Opening balance 1 July 2020</b>                         | 63,759,832          |                    | 11,963,508        |
| Issue of shares - placement                                | 6,338,028           | 1.42               | 9,000,000         |
| Exercise of options - series C                             | 115,000             | 1.11               | 127,650           |
| Exercise of options - series A                             | 550,000             | 0.35               | 192,500           |
| Transfer fair value from options reserve to issued capital | -                   | -                  | 112,107           |
| Share issue transaction costs, net of tax                  | -                   |                    | (605,828)         |
| <b>Closing balance 31 December 2020</b>                    | <u>70,762,860</u>   |                    | <u>20,789,937</u> |

**31 Dec 2020**    **30 Jun 2020**  
**\$**                      **\$**

**Note 4. Equity - reserves**

|                |                  |                |
|----------------|------------------|----------------|
| Option reserve | <u>2,591,425</u> | <u>840,574</u> |
|                | <u>2,591,425</u> | <u>840,574</u> |

*Option reserve*

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

**EMVision Medical Devices Ltd**  
**Notes to the financial statements**  
**31 December 2020**

*Movements in reserves*

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

|                                                                                   | <b>No of Options</b> | <b>Value<br/>\$</b> |
|-----------------------------------------------------------------------------------|----------------------|---------------------|
| <b>Balance at 1 July 2020</b>                                                     | 7,915,000            | 840,574             |
| <i>New options issued during the half-year</i>                                    |                      |                     |
| Options issued to directors, employees and contractors                            | 2,850,000            | 1,862,958           |
| Transfer fair value from options reserve to issued capital on exercise of options | (665,000)            | (112,107)           |
| <b>Balance at 31 December 2020</b>                                                | <u>10,100,000</u>    | <u>2,591,425</u>    |

|                                                                                        | <b>31 Dec 2020<br/>\$</b> | <b>30 Jun 2020<br/>\$</b> |
|----------------------------------------------------------------------------------------|---------------------------|---------------------------|
| <b>Note 5. Equity – Accumulated losses</b>                                             |                           |                           |
| Accumulated losses at the beginning of the financial year                              | (7,280,158)               | (3,804,402)               |
| Loss after income tax expense for the period/year (comparative is full financial year) | <u>(3,211,780)</u>        | <u>(3,475,756)</u>        |
| Accumulated losses at the end of the financial year                                    | <u>(10,491,938)</u>       | <u>(7,280,158)</u>        |

**Note 6. Contingent assets and liabilities**

The company does not have any contingent liabilities at 31 December 2020.

The company has the following contingent assets at 31 December 2020:

- under the CRCP grant the Company is due to receive \$270,000 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 \$405,834 in cash contributions from the research program's partner participants, UQ, GE Healthcare Australia Pty Limited and Metro South Hospital and Health Service within one year.

**Note 7. 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 8. Matters subsequent to the end of the financial half-year**

The following events have occurred subsequent to the reporting date:

- The impact of the Coronavirus (COVID-19) pandemic is ongoing and while it has had no significant impact on the company up to 31 December 2020, it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

No matter or circumstance has arisen since 31 December 2020 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.

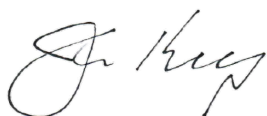
**EMVision Medical Devices Ltd**  
**Directors' declaration**  
**31 December 2020**

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 2020 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

24 February 2021  
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 2020, 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 2020 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 2020 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  


**Leah Russell**  
**Director**

Sydney, 25 February 2021