



EMVision Medical Devices Ltd
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ASX Release

APPENDIX 4C – 31 DECEMBER 2019 QUARTERLY CASHFLOW REPORT

Highlights:

- *EMVision commences Clinical Trial at the Princess Alexandra Hospital in Brisbane*
- *Keysight Technologies (NYSE:KEYS) and Australian Stroke Alliance collaborations strengthen.*
- *Invited to attend the Radiological Society of North America's 105th Scientific Assembly and Annual Meeting in Chicago, to meet with senior executives at the world's largest medical imaging companies.*
- *Completed \$4.5 million placement to institutional and sophisticated investors.*
- *\$6.9 million of cash reserves as at 31 December 2019 including receipt of \$0.658 million R&D tax incentive rebate for FY19.*

EMVision Medical Devices Limited (ASX: EMV) ("EMVision" or the "Company") is pleased to lodge the attached Appendix 4C Quarterly Cashflow Report for the 6 month period ended 31 December 2019.

In partnership with The University of Queensland (UQ), EMVision is developing and commercialising medical imaging diagnostics for various disease states and medical emergencies. The Company's primary focus is a portable, cost effective, non-invasive brain scanner to monitor and help with the diagnosis of brain injuries and stroke by creating rapid images of the brain. In addition, the Company is also at a pre-clinical research and development stage for an adjacent non-invasive torso scanner targeting detection and monitoring of non-alcoholic fatty liver disease (NAFLD) and non-alcoholic steatohepatitis (NASH). The torso scanner would utilise the same core technology being developed for brain imaging, with custom algorithms and hardware.

Key activities undertaken during the quarter are outlined below:

Clinical Trial Commences

The Company has now received the administrative "green light" for activation and commenced its clinical trial. Marking an important phase of EMVision's clinical development program, the biomedical engineering department at Princess Alexandra Hospital successfully completed functional and electrical safety testing of our brain scanner unit, along with key checks essential to commence clinical trials.

In parallel to this work, the Company has tested the newly fabricated clinical units on several healthy volunteers, and demonstrated encouraging progress on the imaging algorithms, establishing a solid imaging "baseline" to support the clinical trial.

Lead Investigator and member of the Company's Clinical Advisory Board Dr David Cook commented "The rapid progress made by EMVision in deploying the brain scanner in the hospital for us to initiate our trial with stroke patients is great. Our vision is that timely and widespread access to portable, point-of-care scanning will improve patient survival, reducing personal disability and the community burden of stroke. While stroke is the first clinical target, Electromagnetic scanning has a broad potential for diagnosing and monitoring a range of other brain disorders."

Australian Stroke Alliance

In March 2019, EMvision became a key commercial collaborator with the Australian Stroke Alliance which is looking to develop, test and implement breakthrough portable imaging technologies to transform pre-hospital stroke care for all Australians. Collaboration between EMvision and the Australian Stroke Alliance continued to strengthen during the quarter with an Australian Stroke Alliance consortium visiting Brisbane to spend time with EMvision management, our technology team and clinical collaborators. The Alliance is now preparing for a Stage 2 Medical Research Future Fund (MRFF) Frontier Health and Medical Research Program Bid, anticipated for early 2020. Stage 2 grants are pledged by the MRFF at \$50 million or more per group and if successful, could contribute significant non-dilutive funding for EMvision's pivotal clinical trials and developing its portable brain scanner for first-responder applications.

Keysight Technologies (NYSE:KEYS) Collaboration

To accelerate EMvision's product development, in April 2019 the Company signed an Memorandum of Understanding with US-based technology company Keysight Technologies (NYSE: KEYS) to collaborate on a new generation of vector network analysis (VNA) units for the healthcare market, a key component in EMvision's brain scanner.

The collaboration progressed significantly during the last quarter, with valuable input from Keysight for EMvision's clinical trial program and advancements from both companies towards developing a new personalised Vector Network Analyzer (VNA) for the healthcare industry. Keysight recently sent expert engineering personnel to provide on-ground support in the lead up to our clinical trial and during December 2019 senior Leadership from Keysight visited Brisbane to meet with the EMvision team, our clinical collaborators and see a demonstration of the clinical unit at the Princess Alexandra Hospital in Brisbane.

Radiological Society of North America

During the quarter, EMvision was invited to the Radiological Society of North America's 105th Scientific Assembly and Annual Meeting in Chicago, the world's biggest radiology conference with more than 50,000 attendees from around the world as well as the largest exhibition of imaging products and companies.

Meetings were held with senior executives from world leading imaging manufacturers and distributors. It was clear that one of the most powerful global trends in healthcare accessibility and delivery is the rise of point-of-care imaging, with point of care diagnosis and monitoring of stroke being a significant talking point due to the current unmet clinical need for both bedside monitoring and in-field triage. This strongly validates EMvision's approach of developing devices with a small footprint that can be quickly deployed for diagnosis and continuous monitoring.

Cashflow commentary, completed \$4.5 million placement to institutional and sophisticated investors and R&D Tax Incentive rebate for FY19 received.

The Company's cash reserves increased by \$3.776 million to \$6.863 million during the quarter with the completion of a \$4.5 million placement and receipt a \$0.658 million R&D tax incentive rebate for the financial year ending 30 June 2019. The Australian Federal Government's R&D Tax Incentive program provides a cash refund on eligible research and development activities performed by Australian companies.

The Company was pleased to successfully raise \$4.5 million in a placement to institutional and sophisticated investors at an issue price of \$0.74 per share. The funds raised will be applied to commercial product development and to progress clinical validation.

Total payments of \$1.373 million during the quarter for research and development activities, staff costs (including research and development staff) and corporate administration were partly funded by the receipt of \$0.237 million in Cooperative Research Centre project (CRC-P) grant funding and participant contributions.

EMvision was awarded a \$2.6 million CRC-P grant from the Government of the Commonwealth of Australia in late 2017, and, through the grant process, has established key academic, clinical and industry relationships that will assist in the advancement and commercialisation of the Company's brain scanner program. The grant participant partners include GE Healthcare, a US\$19 billion healthcare business of GE

(NYSE:GE), The University of Queensland which is one of the world's top 10 universities for biotechnology, and The Queensland Government Metro South Hospital & Health Service operating at the Princess Alexandra Hospital, one of Australia's leading academic and research centres. These partners have also committed to provide a further \$0.910 million in grant funds to EMVision. To 31 December 2019, the Company has received \$1.728 million from the government and \$0.321 million from grant participant partners.

Outlook

EMVision is entering a new phase of clinical and product development and with the commencement of its pilot clinical trial at the Princess Alexandra Hospital in Brisbane. During the trial, the Company's primary objective is to collect imaging data from stroke patients that allows refinement and selection of the optimal imaging algorithms as well as early data on correlation with CT and/or MRI. The single centre study, up to 6 months, will enrol 30 diagnosed stroke patients with confirmatory CT and/or MRI. This study will inform the Company's commercial portable brain scanner development and pivotal clinical trial design. The aim of the pivotal clinical trial will be to generate sufficient data suitable for first regulatory submissions.

This year the Company will continue to focus on advancing existing and generating new value-add product and commercial partnerships. In addition, EMVision also plans on making a number of strategic hires and build a highly specialised in-house engineering team to coincide with the development of the Company's commercial device manufacturing strategy.

Authorised for release by the Board of the Company.

[ENDS]

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Forward Looking Statements

This announcement may contain certain “forward looking statements” which may not have been based solely on historical facts, but rather are based on the Company’s current expectations about future events and results.

Where the Company expresses or implies an expectation or belief as to future events or results, such expectation or belief is expressed in good faith and believed to have a reasonable basis. However, forward looking statements are subject to risks, uncertainties, assumptions and other factors, which could cause actual results to differ materially to futures results expressed, projected or implied by such forward looking statements.

The Company does not undertake any obligation to release publicly any revisions to any “forward looking statements” to reflect events or circumstances after the date of this announcement, or to reflect the occurrence of unanticipated events, except as may be required under the applicable securities laws.

ABOUT EMVISION

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 over 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 \$1.5 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.

Appendix 4C

Quarterly report for entities subject to Listing Rule 4.7B

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10, 01/09/16

Name of entity

EMVISION MEDICAL DEVICES LTD

ABN

38 620 388 230

Quarter ended ("current quarter")

31 December 2019

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers		
- CRC-P participant contributions	46	92
1.2 Payments for		
(a) research and development	(779)	(1,743)
(b) product manufacturing and operating costs		
(c) advertising and marketing		
(d) leased assets		
(e) staff costs including research and development staff	(332)	(640)
(f) administration and corporate costs	(262)	(443)
1.3 Dividends received (see note 3)		
1.4 Interest received	3	4
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Government grants and tax incentives		
- CRC-P grant income	191	375
- R&D Tax Incentive rebate	658	658
1.8 Other (provide details if material)		
- Net GST received / (paid)	3	(36)
1.9 Net cash from / (used in) operating activities	(472)	(1,733)

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Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment		
(b) businesses (see item 10)		
(c) investments		
(d) intellectual property		
(e) other non-current assets		
2.2 Proceeds from disposal of:		
(a) property, plant and equipment		
(b) businesses (see item 10)		
(c) investments		
(d) intellectual property		
(e) other non-current assets		
2.3 Cash flows from loans to other entities		
2.4 Dividends received (see note 3)		
2.5 Other (provide details if material)		
2.6 Net cash from / (used in) investing activities	0	0

3. Cash flows from financing activities		
3.1 Proceeds from issues of shares	4,500	4,500
3.2 Proceeds from issue of convertible notes		
3.3 Proceeds/(refund) from exercise of share options		
3.4 Transaction costs related to issues of shares, convertible notes or options	(252)	(252)
3.5 Proceeds from borrowings		
3.6 Repayment of borrowings		
3.7 Transaction costs related to loans and borrowings		
3.8 Dividends paid		
3.9 Other (provide details if material)		
3.10 Net cash from / (used in) financing activities	4,248	4,248

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Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of quarter/year to date	3,087	4,348
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(472)	(1,733)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	0	0
4.4 Net cash from / (used in) financing activities (item 3.10 above)	4,248	4,248
4.5 Effect of movement in exchange rates on cash held	0	0
4.6 Cash and cash equivalents at end of quarter	6,863	6,863

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1 Bank balances	2,863	2,087
5.2 Call deposits		
5.3 Bank overdrafts		
5.4 Other – term deposit	4,000	1,000
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	6,863	3,087

6. Payments to directors of the entity and their associates	Current quarter \$A'000
6.1 Aggregate amount of payments to these parties included in item 1.2	105
6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	0
6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	
- Director fees, salaries and superannuation paid to Directors	

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7. Payments to related entities of the entity and their associates	Current quarter \$A'000
7.1 Aggregate amount of payments to these parties included in item 1.2	0
7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	0
7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	0	0
8.2 Credit standby arrangements	0	0
8.3 Other (please specify)	0	0
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

9. Estimated cash outflows for next quarter	\$A'000
9.1 Research and development	(1,177)
9.2 Product manufacturing and operating costs	0
9.3 Advertising and marketing	0
9.4 Leased assets	0
9.5 Staff costs	(345)
9.6 Administration and corporate costs	(230)
9.7 Other (provide details if material)	
- Net GST	(20)
9.8 Total estimated cash outflows*	(1,772)

*Note: excludes cash inflows from CRC-P grant and participant contributions estimated to be +\$237k for the next quarter.

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10. Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)	Acquisitions	Disposals
10.1 Name of entity		
10.2 Place of incorporation or registration		
10.3 Consideration for acquisition or disposal		
10.4 Total net assets		
10.5 Nature of business		

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here: 
(Company secretary)

Date: ..30 January 2020.....

Print name:Emma Waldon.....

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.

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