29/04/22

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ASX Release

APPENDIX 4C – 31 MARCH 2022 QUARTERLY ACTIVITIES & CASHFLOW REPORT

Highlights:

- *In-hospital (1st Gen) and Pre-hospital (2nd Gen) device development progressing positively. Multi-centre clinical trial preparation progressing well.*
- *Clinical Advisory Board strengthened with key appointments of internationally recognised leaders in stroke care.*
- *The Company finished the quarter well-funded, with cash reserves of $8.5 million as at 31 March 2022. The Company has benefited from substantial non-dilutive cash funding during the financial year to date totalling $3.61 million (including CRC-P cash contribution from GE Healthcare). EMVision has a strong track record in prudently managing its cash reserves, the R&D program in FY22 has been delivered with only a $1.2 million reduction in cash reserves in the financial year to date.*

EMVision Medical Devices Limited (ASX:EMV) ("EMVision" or the "Company") is pleased to lodge the following update and attached Appendix 4C Quarterly Cashflow Report for the 9-month period ended 31 March 2022.

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 at the point-of-care.

Key activities undertaken during the quarter are outlined below:

In-hospital (1st Gen) Product Development and Clinical Trials Progress

Throughout the quarter activities have focused on technical file development and the required documentation for the Human Research Ethics Committee (HREC) submission for our next stage of clinical trials. The ethics application is anticipated to be lodged in the coming weeks.

In parallel to the ethics preparation and submission, EMVision is preparing product for commissioning into the clinical trial. Global supply challenges have resulted in late delivery of some components during the quarter, causing a minor delay in additional device builds and testing. Pleasingly, key components have since arrived and following the assembled devices completing their testing, patient enrolment is expected to commence next quarter. Site contracts with clinical sites (which will span NSW, VIC and QLD) are currently being progressed. In addition, initial clinical site visits were undertaken, confirming ample patient population for enrolment targets.

Pre-hospital (2nd Gen) Development update

Development on EMVision's 2nd Gen pre-hospital (road and air ambulance) device progressed positively during the quarter. Site visits were conducted with Ambulance Victoria and Ambulance NSW investigating space, size, weight, OH&S, vehicle types and fit out, to feed requirements and product design. Leveraging learnings from our earlier clinical prototype, and miniaturisation achieved with our 1st Gen, the team has identified suitable options for the 2nd Gen system architecture. This architecture is now subject to ongoing research, prototyping and testing. It is heavily influenced by a focus on ease of deployment, speed of scanning and clinical relevance, with valuable input from the Australian Stroke Alliance guiding clinical utility.

Clinical Advisory Board Strengthened

During the quarter, the Company was pleased to announce that Professors Geoffrey Donnan and Stephen Davis, eminent neurologists and recognised leaders in the field of stroke care, joined EMVision's Clinical Advisory Board in an ex-officio capacity as Co-Chairs of the Australian Stroke Alliance. Alongside Professors Donnan and Davis, we were pleased to also have mobile stroke unit (MSU) expert and Australia's first indigenous neurologist, Dr Angela Dos Santos, also join our clinical advisory board in an "ex-officio" capacity. Professors Donnan and Davis and Dr Dos Santos are incredibly strong additions to our Clinical Advisors. They bring significant stroke care experience and international connectivity, which is important as we advance our products towards realisation and commercialisation. Already we have benefited from their clinical guidance and valuable introductions to their international network.

Keysight Technologies (NYSE:KEYS) Strategic Partnership

To accelerate EMVision's product development, in April 2019 the Company signed a 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. The VNA is a key measurement component of the EMVision's portable brain scanner, with the customised modules designed to sit within the headset of the scanner. It is anticipated that the relationship with Keysight will advance with a strategic agreement for the supply of the new generation VNA units to be formalised in May.

NVIDIA (NASDAQ:NVDA) – Inception Program

NVIDIA invented the graphics processing unit (GPU) in 1999 which redefined modern computer graphics and revolutionized parallel processing. In the years since, GPUs are now at the centre of the AI revolution. EMVision has been an NVIDIA Inception Program member since 2019. We are using various NVIDIA tools to accelerate our productization efforts, including the NVIDIA DGX A100 to train imaging models and run simulations, and NVIDIA's Jetson Xavier AGX on board our 1st Gen device to aid in rapid image reconstruction and our AI powered decision support. During the quarter, NVIDIA CEO and Founder, Jensen Huang, gave a Keynote Speech at NVIDIA's largest annual conference (GTC) 2022, which featured EMVision's 1st gen device as Mr Huang talked to the exciting future of AI powered medical devices. Via NVIDIA's Inception Program we will continue to benefit from their deep learning expertise and their support in upcoming co-marketing initiatives.

Commercial and Industry Discussions

We continue to engage with large imaging and accessories companies around the globe including in the EU, USA, China and Japan, with intention to develop long term commercial relationships. Interest is growing and we are finding that these companies are all very supportive of the unmet need we are aiming to solve and the fact that we have a potential first in class product. This supports the clinical validation we are receiving and when combined with the commercial support, identifies that we are heading on the path to a product success.

Cashflow commentary, cash reserves of $8.5 million as at 31 March 2022

The Company had cash reserves of $8.5 million at the end of the quarter following net operating cash outflows of $2.0 million. Operating cashflows included expenditure on research and development (R&D) activities totalling $0.493 million (Dec21Q: $0.585 million), staff costs $1.288 million (Dec21Q: $1.024 million) and corporate administration costs of $0.293 million (Dec21Q: $0.277 million). Staff costs includes EMVision's in-house product development and research team. External R&D expenditure includes payments

to third party research and engineering contractors as well as components and materials for the Company's prototype devices and ongoing product development.

The Company has benefited from substantial non-dilutive cash funding during the financial year to date totalling $3.61 million. This includes grant funding from the Cooperative Research Centre project (CRC-P) ($0.42 million) and the Australian Stroke Alliance Limited ("ASA") ($1.2 million) and $1.99 million from the company's R&D tax incentive claim for the financial year ending 30 June 2021.

EMVision was awarded a $2.6 million CRC-P grant from the Government of the Commonwealth of Australia in late 2017 which also included cash contributions totalling $0.91 million from participant partners including GE Healthcare, a US$19 billion healthcare business of GE (NYSE:GE), The University of Queensland and The Queensland Government Metro South Hospital & Health Service operating at the Princess Alexandra Hospital. This grant program has now concluded. EMVision received the final contribution from GE Healthcare during the quarter ($180,000), is working closely with GE Healthcare's nominated clinical trial site in the South Western Sydney Local Health District and anticipates receiving the final grant payment from the Commonwealth Government ($150,000) in Q4 FY22. The CRC-P grant was fundamental to support the Company's R&D activities from the early stages of the Company's history and we thank the Commonwealth Government and the participants for their support.

Under a Project Agreement with the ASA, EMVision will receive a total of $8 million of non-dilutive cash funding ($6.8 million remaining) in staged payments over the five-year project, weighted to the earlier years. The funding will support EMVision's development and clinical validation of its planned first responder model for air and road ambulances, commencing with ongoing validation of EMVision's portable brain scanner's diagnostic capabilities in the hospital environment. The funding is contingent on the project progressing in a manner that warrants continued funding at each stage and the ongoing achievement of project milestones. The Company anticipates receiving further funding under the ASA Project Agreement in the current quarter.

As required by ASX Listing Rule 4.7C3, the Company notes that $0.215 million was paid to related parties during the quarter (as noted in section 6 of the attached Appendix 4C) and these payments were salaries, Directors fees and superannuation paid to Directors.

Authorised for release by the Board of the Company.

[ENDS]

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

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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 20 researchers is led by co-inventor Professor Amin Abbosh, who is considered a global leader in electromagnetic microwave imaging. EMVision's Chief Scientific Officer is Professor Stuart Crozier, who is a co-inventor and globally renowned for creating 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 $1.9 billion market cap healthcare company. Dr Weinberger has over 25-years' experience developing and commercialising medical devices. During his time at Nanosonics, Dr Weinberger co-developed the company's platform technology and launched their breakthrough product 'Trophon' globally, which would go on to become the gold standard for infection prevention. Dr Weinberger was instrumental in transforming Nanosonics from a research and development company to one of Australia's leading medical device commercialisation success stories.

Forward-looking Statements

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

Inherent risks of Investment in Medical Device development Companies

There are a number of inherent risks associated with the development of new medical device products to a marketable stage. The clinical trial process, which is often lengthy, is designed to assess the safety and efficacy of a device prior to commercialisation and there is no guarantee of achieving the outcomes necessary to generate a viable commercial product. Other risks include uncertainty of patent protection and proprietary rights, the obtaining of necessary regulatory authority approvals and the evolving competitive landscape. Companies such as EMVision are dependent on the success of their research and development projects, product development and on the ability to attract funding to support these activities. Investment in research and development and novel product development cannot be assessed on the same fundamentals as trading and manufacturing enterprises. Therefore investment in Companies specialising in such development must be regarded as speculative. EMVision recommends that professional investment advice be sought prior to such investments and cautions investors that the risks of an investment in an entity such as EMVision is not limited to the risks disclosed in this announcement.

Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity	
EMVISION MEDICAL DEVICES LTD	
ABN	**Quarter ended ("current quarter")**
38 620 388 230	31 MARCH 2022

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (9months) $A'000**
1.	**Cash flows from operating activities**		
1.1	Receipts from customers		
	- CRC-P participant contributions	180	360
1.2	Payments for		
	(a) research and development	(493)	(1,461)
	(b) product manufacturing and operating costs	-	-
	(c) advertising and marketing	-	-
	(d) leased assets	-	-
	(e) staff costs including research and development staff	(1,288)	(3,311)
	(f) administration and corporate costs	(293)	(1,038)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	3	12
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives		
	- R&D Tax Incentive rebate	-	1,990
	- CRC-P grant income	-	60
	- ASA grant income	-	1,200
1.8	Other (provide details if material)		
	- Net GST (paid) / received	(115)	24
1.9	**Net cash from / (used in) operating activities**	**(2,006)**	**(2,164)**

Consolidated statement of cash flows		Current quarter $A'000	Year to date (9months) $A'000
2.	**Cash flows from investing activities**		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	(100)
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) 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**	**-**	**(100)**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	1,107
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	(19)
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**	**-**	**1,088**

Consolidated statement of cash flows		Current quarter $A'000	Year to date (9months) $A'000
4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	10,495	9,665
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(2,006)	(2,164)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	(100)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	1,088
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	**Cash and cash equivalents at end of period**	**8,489**	**8,489**

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	2,343	4,341
5.2	Call deposits	6,004	6,002
5.3	Bank overdrafts	(33)	(23)
5.4	Other (provide details) - term deposits for bank guarantees	175	175
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**8,489**	**10,495**

6.	Payments to related parties of the entity and their associates	Current quarter $A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	215
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

7.	**Financing facilities** *Note: the term "facility' includes all forms of financing arrangements available to the entity.* *Add notes as necessary for an understanding of the sources of finance available to the entity.*	**Total facility amount at quarter end $A'000**	**Amount drawn at quarter end $A'000**
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	**Total financing facilities**	-	-

7.5	**Unused financing facilities available at quarter end**	
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.	

8.	**Estimated cash available for future operating activities**	**$A'000**
8.1	Net cash from / (used in) operating activities (item 1.9)	(2,006)
8.2	Cash and cash equivalents at quarter end (item 4.6)	8,489
8.3	Unused finance facilities available at quarter end (item 7.5)	-
8.4	Total available funding (item 8.2 + item 8.3)	8,489
8.5	**Estimated quarters of funding available (item 8.4 divided by item 8.1)**	4.2

Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.

8.6 If item 8.5 is less than 2 quarters, please provide answers to the following questions:

8.6.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer: N/A

8.6.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer: N/A

8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: N/A

Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.

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.

Date: ....29 April 2022.....

Authorised by: ....By the Board of the Company.....
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.

2. If this quarterly cash flow 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 cash flow 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.

4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [*name of board committee – eg Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".

5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.