**EMVision Medical Devices Ltd**
**Appendix 4E**
**Final report**

## 1. Company details

| | |
|---|---|
| Name of entity: | EMVision Medical Devices Ltd |
| ABN: | 38 620 388 230 |
| Reporting period: | For the year ended 30 June 2019 |
| Previous period: | For the year ended 30 June 2018 |

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## 2. Results for announcement to the market

| | | | | $ |
|---|---|---|---|---|
| Revenues from ordinary activities | up | 187% | to | 1,414,438 |
| Loss from ordinary activities after tax attributable to the owners of EMVision Medical Devices Ltd | up | 250% | to | 2,959,362 |
| Loss for the year attributable to the owners of EMVision Medical Devices Ltd | up | 250% | to | 2,959,362 |

*Dividends*

| | Amount per security Cents | Franked amount per security Cents |
|---|---|---|
| Final dividend for the year ended 30 June 2019 | 0.0 | 0.0 |
| Interim dividend for the year ended 30 June 2019 | 0.0 | 0.0 |

No dividend has been declared.

*Comments*
The loss for the company for the year amounted to $2,959,362 (2018: $854,040).

EMVision Medical Devices Ltd ("EMV") was admitted to the Official List of ASX Limited ('ASX') on Tuesday 11 December 2018 after raising $6,000,000 (before costs) in an initial public offering (IPO).

During the year the company had grant income of $951,970 (2018: $401,000) from a Cooperative Research Centre Program ('CRCP') grant and other income of $183,333 (2018: $91,667) being contributions from participants in the CRCP. The Company also received a cash refund during the year of $279,135 (2018: $Nil) from its R&D Tax Incentive claim for the year ended 30 June 2018. 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 year principally related to research and developments costs associated with the EMVision Technology, employee expenses, general corporate overhead, costs associated with a listing of the company on the Australian Securities Exchange ('ASX') and non-cash share based payments associated with the issue of options and performance rights.

Operating cash outflows for the year were $2,215,261 (2018: $679,590) an increase compared to the prior year as research and development activities increased upon completion of the IPO. Financing cash inflows for the period were $5,580,531 (2018: $1,697,663) as the company raised $6,000,000 (before share issue costs) pursuant to the offer under its IPO prospectus by the issue of 24,000,000 shares at an issue price of $0.25 per share.

The company had a net asset position at 30 June 2019 of $4,603,193 (2018: $1,279,105). The net asset position included a $480,000 (2018: $480,000) intangible asset being patents for the EMVision Technology.

During the year the company varied its License Agreement with UniQuest Pty Ltd (UniQuest) and entered into an IP Assignment Deed whereby UniQuest assigned the Licensed IP to the company upon satisfaction of a number of conditions precedent. The company confirms that the conditions precedent were satisfied during the year and the company now owns the patents and intellectual property previously licensed to the company.

**EMVision Medical Devices Ltd**
**Appendix 4E**
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The company confirms in the period from admission to the official list of the ASX to 30 June 2019, that it used its cash and assets in a form readily convertible to cash, in a manner consistent with its business objectives.

## 3. Net tangible assets

| | Reporting period Cents | Previous period Cents |
|---|---|---|
| Net tangible assets per ordinary security | 7.16 | 2.54 |

## 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

The financial statements have been audited and an unqualified opinion has been issued.

## 8. Attachments

The Annual Report of EMVision Medical Devices Ltd for the year ended 30 June 2019 is attached.

## 9. Signed

Signed ______________________ Date: 30 August 2019

John Keep
Director

# EMVision Medical Devices Ltd

## ABN 38 620 388 230

# Annual Report – 30 June 2019

**EMVision Medical Devices Ltd**
**Corporate directory**
**30 June 2019**

| | |
|---|---|
| Directors | John Keep<br>Tony Keane<br>Scott Kirkland<br>Geoff Pocock<br>Ryan Laws |
| Company secretary | Emma Waldon |
| Registered office | BDO (QLD) Pty Ltd<br>Level 10, 12 Creek Street<br>Brisbane QLD 4000 |
| Principal place of business | 72 Victoria Road<br>Rozelle 2039 NSW |
| Share register | Link Market Services Limited<br>QV1 Building, Level 12, 250 St Georges Terrace<br>Perth WA 6000 |
| Auditor | BDO East Coast Partnership<br>11/1 Margaret St<br>Sydney NSW 2000 |
| Solicitors | Bellanhouse Lawyers<br>Level 19, Alluvion<br>58 Mounts Bay Road<br>Perth WA 6000 |
| Bankers | National Australia Bank<br>292 Pitt Street<br>Sydney NSW 2000 |
| Stock exchange listing | EMVision Medical Devices Ltd shares are listed on the Australian Securities Exchange (ASX code: EMV) |
| Website | www.emvision.com.au |
| Corporate Governance Statement | www.emvision.com.au/investor-announcements |

**EMVision Medical Devices Ltd**
**Chairman's Letter**
**30 June 2019**

On behalf of the Board, I am pleased to present the 2019 Annual Report to shareholders.

During the year the Company successfully completed an initial public offering (IPO) raising $6 million (before costs) and listed on the Australia Securities Exchange in December 2018.

EMVision is an Australian medical device company developing transformational point-of-care imaging solutions to provide valuable clinical information in a manner that does not currently exist today. EMVision's primary goal is the development and commercialisation of a cost effective portable brain scanner that will allow rapid, safe diagnosis and ongoing monitoring of stroke and other neurological disorders in the hospital wards and, in the future, in the community, including road and air ambulances. Our medical imaging technology utilizes electromagnetic microwave energy to create images of the human brain and other organs (the EMVision Technology). Formed in July 2017, the Company upon completion of the IPO acquired the intellectual property to develop and commercialise this novel technology that is the product of over a decade of development by The University of Queensland (UQ). The EMVision Technology has the potential to assist medical practitioners in making critical decisions, and critical interventions earlier, when time matters.

According to the World Health Organisation, stroke is the second leading cause of death worldwide and a leading cause of permanent disability. It is a time sensitive medical emergency and requires urgent intervention at onset of symptoms, for both fresh strokes and recurrent strokes. Incorrect or delayed diagnosis of stroke can lead to treatment delays that can result in death or permanent disability for the patient. EMVision's portable brain scanner addresses this serious, worldwide, problem, providing a compelling adjunct to mainstay stationary CT and MRI imaging solutions.

With the benefit of a $2.6 million grant from the Department of Industry Innovation and Science and cash contributions from our industry partners, the Company has, since completion of the IPO, made significant key advancements in the development of the clinical prototype brain scanner device with clinical trials anticipated to commence in the fourth quarter of calendar year 2019. The completion of our first clinical units and the commencement of hospital trials will be important milestones in the development of our novel portable brain scanner.

In addition, the Company has been pleased to establish strategic collaborative relationships with Keysight Technologies and the Australia Stroke Alliance that we believe can accelerate the development of the EMVision Technology. Keysight Technologies are the global leader in microwave measurement and an ideal partner for our product development program. The Australian Stroke Alliance's program leaders have established compelling early health economic and patient benefits for an emerging "standard of care" for Stroke. Triage, diagnosis and ultra-early treatment (such as thrombolysis), in an Ambulance, in the driveway of a family home, is no longer a dream for Stroke patients, clinicians and paramedics. We aim to play a significant role in realizing the consortium's ambitious plans by providing a scalable imaging solution to make this dream a reality for the greater community, in an affordable and reliable way.

I would like to acknowledge the world class UQ research and development team that is assisting the Company including Professor Amin Abbosh, co-inventor and leader of the research group that has been developing the EMVision Technology for over a decade, and Professor Stuart Crozier the Director of Biomedical Engineering at UQ, well-known for his advancements in MRI. We are fortunate to have such a strong technical pedigree underpinning the origins of the Company. UQ was recently ranked 9th Globally in Biotechnology and leads the way in Australia in commercialization with more than $15 billon in gross product sales having been generated from UQ licensed technologies.

I would also like to acknowledge EMVision's Chief Executive Officer, Dr Ron Weinberger, who brings more than 20 years' experience in medical device commercialisation. Previously, Ron lead the early R&D and product development at Nanosonics (ASX: NAN) before going onto the role of Executive Director for 8 years and CEO for 3, in which time he setup a sales team in North America, and distribution with one of EMVision's partners, GE Healthcare.

The fabrication of our first clinical units and commencement of hospital trials later this year will represent an important milestone in the Company's development and our mission to be a future world wide leader in transformational point-of-care medical imaging.

Yours faithfully

John Keep
Executive Chairman
EMVision Medical Devices Limited

## ABOUT EMVISION

Stroke is one of the largest killers in the world with an enormous economic burden globally. The need for a point of care brain scanner in hospitals is clear. One third of stroke patients in hospital will have another stroke and stroke in patients who enter hospital for other indications, accounts for roughly 10% of all strokes. The support for this in hospital device has been strong and there is opportunity for numerous devices to be located in multiple hospital wards. Supplementing the attractive in hospital commercial pathway, we aim to be in ambulances in the longer term, creating opportunities for earlier treatment choices pre-hospital as the emerging "standard of care". A recent additional development is the opportunity for a significant recurring revenue benefit from a cap to be used once per patient which allows EMVision to participate in the "razor/razor blade" revenue model.

It has been an exciting start for EMVision as an ASX listed entity. Our vision is to be a global leader in point of care diagnostic imaging. Microwave imaging is a truly innovative imaging modality that has disruptive implications for diagnostics, monitoring and the delivery of patient care. The development of a portable, safe and cost-effective brain scanner to rapidly diagnose and monitor stroke and traumatic brain injury provides an opportunity to penetrate the multi-billion dollar neurological imaging sector. Our technology has significant potential to address a range of unmet clinical needs. Technology is our foundation, but we have a clear product and commercial focus. We look for large markets, in which there are minimal or no identifiable competitors. The opportunity for our shareholders is significant.

The company has achieved its early milestones and we are on target to deliver our brain scanner clinical prototype into the hospital by the end of calendar year 2019. We have the wonderful support of The University of Queensland and the clinical experts at the Princess Alexandra Hospital in Brisbane. We are also fortunate to have the support of GE Healthcare who is part our CRC-P Commonwealth grant program. Small companies such as EMVision rarely attract the support of global imaging companies such as GE Healthcare. We have a critical collaboration with one of the largest players in microwave measurement, Keysight Technologies. Keysight has a core strategic platform to enter the healthcare market and EMVision is one of a handful of companies in this space with whom they are working. Keysight is providing great assistance in the development of a small footprint device. The vector network analyser (VNA) that measures the microwave signals and is manufactured by Keysight, is presently the largest component in our prototype. They are committed to building a small, cost effective healthcare VNA and are working closely with our design and technology teams to ensure that it is fit for our needs. There has been a productive exchange of ideas and already the relationship has reduced risk and solved some technical issues that otherwise would have taken longer for us to solve

All successes rely on good relationships and EMVision is proud to be associated with its partners.

## BRAIN SCANNER DEVELOPMENT ON TARGET

The primary focus of the Company during the year has been the advancement of a clinical protype brain scanner device to be used in the pilot clinical trial at the Princess Alexandra Hospital in Brisbane. In this trial, data will be collected from patients with diagnosed ischaemic and haemorrhagic stroke, with confirmatory CT and/or MRI images.

Our Sydney product development team is working effectively with the UQ team to take technology and apply it into a product that meets the needs of the clinician and patient. The key advancements in the test device include completion of the antenna and headset design as well as significant software and algorithm progress. Extensive inputs from a range of clinicians has been utilized to ensure the design is effective and user friendly in the hospital environment. We are on target to be in the hospital by the end of calendar year 2019.

## KEY STRATEGIC COLLABORATIONS ESTABLISHED

During the year the Company established further strategic collaboration relationships to assist and accelerate our development and commercialisation activities.

### Keysight Technologies

In April 2019, EMVision executed a non-binding Memorandum of Understanding ("MOU"), with Keysight Technologies Malaysia SDN BHD ("Keysight Technologies"), a wholly owned subsidiary of Keysight Technologies, Inc (NYSE:KEYS) ("Keysight"), for the co-development of a new generation of Vector Network Analysers ("VNA") for the healthcare sector. Keysight has taken a strategic decision to enter the healthcare market and has chosen EMVision as one of its small group of collaborators to drive their presence in the field. The innovative solutions that Keysight has launched for growth markets like 5G, IoT, next-generation wireless, high-speed data centres and electric vehicles have helped fuel the USD$3.9 billion in revenue it generated in fiscal year 2018. The strategic collaboration between EMVision and Keysight has already borne fruit with the exchange of information with Keysight assisting with an important calibration methodology that has considerably shortened the time to solve this challenge. It is anticipated that Keysight management will arrive later in the year to see how the implementation of our device is happening. Representation will be made from senior commercial leaders as well as R&D to help commission our clinical prototype units and learn more about their implementation in the hospital environment.

### Australian Stroke Alliance

During the year, EMVision was invited to join the newly created Australian Stroke Alliance as a key commercial collaborator. Led by The Melbourne Brain Centre of the Royal Melbourne Hospital, the Australian Stroke Alliance brings together leaders across the healthcare sector to propose a transformative research program that aims to develop, test and implement breakthrough portable imaging technologies to transform access to early pre-hospital treatments.

In May 2019, the Australian Stroke Alliance was successful in a Frontiers Stage 1 Funding Bid. The highly competitive Medical Research Futures Fund (MRFF) Frontiers program provides funding aimed at developing the next big medical breakthrough. In Stage 1, just ten groups were selected to receive funding of up to $1 million over 12 months to develop detailed plans for their research programs and make Stage 2 submissions. Stage 2 is anticipated to support the best applicants from Stage 1 where grants are pledged at $50 million or more per group and can extend over five years. It is expected that EMVision will provide in-kind contributions during Stage 1, principally through the provision of expertise and guidance from existing employees and benefit from similar contributions made by other Australian Stroke Alliance program collaborators.

Following EMVision's successful involvement in the Stage 1 bid, the Company is working closely with the Australian Stroke Alliance to develop a research plan and budget for a competitive Stage 2 bid, anticipated to be completed within the next 12 months. If successful, it is anticipated that the Stage 2 budget will include provision towards partial funding of the development, testing and implementation costs associated with a first responder generation of EMVision's portable brain scanner currently in development. The Company's ultimate involvement is also subject to entering into a collaboration agreement with The Melbourne Brain Centre and other Australian Stroke Alliance project collaborators. (Refer to the Company's ASX announcement dated 22 May 2019 and titled "Australian Stoke Alliance Successful in Frontiers Funding Bid" for further details regarding the Australian Stroke Alliance collaboration).

There has been significant publicity since the stage one win with articles in the AFR, radio and most recently the Alliance team has met the Federal Minister for Health, Greg Hunt, to introduce the group's plans to bring lightweight mobile brain imaging to stroke patients across Australia. This includes scaling their Mobile Stroke Unit ambulances which are part of the Alliance's mission to significantly improve patient outcomes in the "golden hour" after stroke occurrence. The existing Mobile Stroke Unit ambulance contains a 500kg CT and costs approximately $1.5 million to deploy. A more lightweight, cost effective, practical and scalable imaging solution is now being sought. Having said this, the Mobile Stroke Unit has proven out the importance of rapid diagnosis and treatment pre-hospital, with significant improved patient outcomes to date and considerable reductions in cost to the healthcare system. The message is that a scalable alternative, which EMVision aims to deliver, could greatly improve patient outcomes and reduce the health economic burden associated with stroke

### Cooperative Research Centre Project Grant Partners

These collaborations add to our existing key academic, clinical and industry relationships established with UQ (one of the world's top 10 universities for biotechnology), The Queensland Government Metro South Hospital & Health Service operating at Princess Alexandra Hospital, GE Healthcare (a US$19 billion healthcare business), our participant partners in a Cooperative Research Centre Project (CRC-P) grant. The CRC-P grant from the Government of the Commonwealth of Australia was awarded in late 2017 and provides $2.6 million in non-dilutive cash funding over three years along with a further $0.9 million in non-dilutive cash funding and approximately $3.5 million of in-kind contributions and resources from the participant partners to the brain scanner program.

## TORSO SCANNER DEVELOPMENT UNDERWAY

In addition to the brain scanner program, EMVision is exploring the feasibility of a non-invasive and cost effective torso scanner to identify the severity and monitor the progression of non-alcoholic fatty liver disease (NAFLD) and non-alcoholic steatohepatitis (NASH) in conjunction with UQ. This also provides an opportunity to address a large unmet clinical need.

The UQ research team has undertaken tissue characterisation work with samples now collected from several patients with pathology results expected near term. The research team has also been bolstered with the addition of four experts to the project in the fields of machine learning, classification and antenna design. An enhanced torso phantom has been fabricated to emulate different stages of fatty liver disease in a lab environment. This phantom is being used to assist in verifying algorithm development. A new generation of smaller resonance based reflector antennas have also been developed for testing.

## TEAM STRENGTHENED WITH RECENT APPOINTMENTS

As we make advances and develop our product portfolio, the company needs to build its team to meet its commercial, clinical and regulatory needs. During the year the Company assembled several high-calibre experts in the fields of Neurology, Interventional Neuroradiology and Critical Care to form its Clinical Advisory Board. These experts include Prof Michael O’Sullivan, Dr Ken Mitchell, Dr David Cook, Dr James Walsham and co-inventor Prof Stuart Crozier, serves as the Chairman. The Advisory Board has been working very closely with the EMVision management team and Board as the Company prepares for its clinical trial at the Princess Alexandra Hospital in Brisbane.

Ruth Cremin, a highly experienced Regulatory Affairs executive fresh from Nanosonics (ASX:NAN), was appointed as Head of Regulatory Affairs and Quality to drive the regulatory strategy for EMVision on its path to market access. Ruth will also evaluate the regulatory landscape for a range of additional clinical applications. We are continually looking at opportunities to increase the breadth and depth of our team as we enter the next phase of our clinical development and product rollout.

Finally, I would like to thank our shareholders, employees and partners for their support and contributions during the year which have enabled the Company to successful list on the ASX and increase our development and commercialisation activities. I see significant opportunity for EMVision in addressing large unmet clinical needs utilising a truly innovative imaging modality and look forward to providing updates as we progress our development pathways.

Ron Weinberger

Dr Ron Weinberger
Chief Executive Officer

The directors present their report, together with the financial statements, of EMVision Medical Devices Ltd (referred to hereafter as the 'company') for the year ended 30 June 2019.

## Directors

The following persons were directors of EMVision Medical Devices Ltd during the whole of the financial year and up to the date of this report, unless otherwise stated:

John Keep
Tony Keane
Scott Kirkland
Geoff Pocock
Ryan Laws

## Principal activities

During the financial year the principal continuing activities of the company consisted of research and development of medical imaging and diagnostic technology previously licensed and subsequently acquired from Uniquest Pty Limited ('Uniquest') (the 'EMVision Technology'), for the purpose of commercialising a portable medical device for stroke diagnosis and monitoring as well as other medical imaging needs.

## Dividends

There were no dividends paid during the financial year ended 30 June 2019.

## Review of operations

EMVision Medical Devices Ltd ("EMV") was admitted to the Official List of ASX Limited ('ASX') on Tuesday 11 December 2018 after raising $6,000,000 (before costs) in an initial public offering (IPO).

The loss for the company for the year amounted to $2,959,362 (2018: 854,040).

During the year the company had grant income of $951,970 (2018: $401,000) from a Cooperative Research Centre Program ('CRCP') grant and other income of $183,333 (2018: $91,667) being contributions from participants in the CRCP. The Company also received a cash refund during the year of $279,135 (2018: $0) from its R&D Tax Incentive claim for the year ended 30 June 2018. The Australian Commonwealth Government's R&D Tax Incentive program provides a cash refund on eligible research and development activities performed by Australian companies.

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The company had a net asset position at 30 June 2019 of $4,603,193 (2018: $1,279,105). The net asset position included a $480,000 (2018: $480,000) intangible asset being patents for the EMVision Technology.

During the year the company varied its License Agreement with UniQuest Pty Ltd (UniQuest) and entered into an IP Assignment Deed whereby UniQuest assigned the Licensed IP to the company upon satisfaction of a number of conditions precedent. The company confirms that the conditions precedent were satisfied during the year and the company now owns the patents and intellectual property previously licensed to the company.

The company confirms in the period from admission to the official list of the ASX to 30 June 2019, that it used its cash and assets in a form readily convertible to cash, in a manner consistent with its business objectives.

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 year.

## Matters subsequent to the end of the financial year
On 1 July 2019, the company issued 400,000 unlisted options with an exercise price of $0.57 and expiry date of 1 July 2022 to eligible participants of the company's Employee Securities Incentive Plan.

No other matter or circumstance has arisen since 30 June 2019 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

## Likely developments and expected results of operations
Refer to 'Review of operations' for information on likely developments in the operations of the company and the expected results of operations.

## Environmental regulation
The company is not subject to any significant environmental regulation under Australian Commonwealth or State law.

## Information on directors

| | |
|---|---|
| Name: | John Keep |
| Title: | Executive Chairman |
| Qualifications: | Bachelor Degree (Economics and Financial Studies Major) from Macquarie University |
| Experience and expertise: | Mr John Keep has extensive public company board experience as well as senior management experience in the healthcare and hospitality sectors including managing start up enterprises and medical diagnostic companies. Mr Keep led the successful restructuring and revitalization of the radiology company Queensland Diagnostic Imaging, Queensland's leading private radiology and diagnostic imaging group and at Lemarne Healthcare, a company specialising in the detection and treatment of skin cancer. Mr Keep is a director of Queensland Symphony Orchestra Holdings Ltd and a member of that company's Finance Audit and Risk Committee.<br><br>Mr Keep leads oversight of the Company's strategy and manages its CRC-P partnerships. |
| Other current directorships: | None |
| Former directorships (last 3 years): | None |
| Special responsibilities: | Member of Audit & Risk Committee |
| Interests in shares: | 1,707,500 |
| Interests in options: | 400,000 |

| | |
|---|---|
| Name: | Tony Keane |
| Title: | Non-Executive Director |
| Qualifications: | Bachelor of Science (Mathematics) degree from University of Adelaide, a Graduate Diploma in Corporate Finance from Swinburne and a Graduate of the Australian Institute of Company Directors |
| Experience and expertise: | Mr Tony Keane is an experienced business and finance executive and holds a number of independent non-executive director and advisory board roles. Mr Keane also undertakes finance advisory and consultancy assignments for various business clients and previously held numerous roles with a major trading bank principally in business, corporate and institutional banking.<br><br>Mr Keane is currently an Independent Non-Executive Director of National Storage Holdings Ltd, the holding company established for National Storage REIT, the first independent, internally managed and fully-integrated owner and operator of self-storage centres listed on the ASX, director of Queensland Symphony Orchestra Holdings Ltd, Queensland's largest performing arts company and only professional symphony orchestra and Chairman of Oncore Group Holdings Pty Ltd, which has various interests in the business services sector in Australia, NZ and the UK. |
| Other current directorships: | National Storage Holdings Ltd (ASX: NSR) |
| Former directorships (last 3 years): | None |
| Special responsibilities: | Chair of Audit & Risk Committee and Member of Remuneration & Nomination Committee |
| Interests in shares: | 100,000 |
| Interests in options: | 500,000 |

| | |
|---|---|
| Name: | Scott Kirkland |
| Title: | Executive Director |
| Qualifications: | Bachelor of Arts Informatics from University of Sydney |
| Experience and expertise: | Mr Scott Kirkland has held several senior sales positions, including Head of Client Sales at Quantcast, a US-based technology company. Mr Kirkland is a co-founder of the Company and oversees its corporate affairs, commercial strategy and business development efforts. Mr Kirkland is a member of the Australian Institute of Company Directors. |
| Other current directorships: | None |
| Former directorships (last 3 years): | None |
| Special responsibilities: | None |
| Interests in shares: | 3,748,400 |
| Interests in options: | 600,000 |

| | |
|---|---|
| Name: | Geoff Pocock |
| Title: | Non-Executive Director |
| Qualifications: | Bachelor of Science (first class honours) from University of Western Australia; Bachelor of Laws (University of Western Australia) and Post Graduate Diploma in Applied Finance and Investment from Securities Institute of Australia. |
| Experience and expertise: | Mr Geoff Pocock has significant experience as a corporate advisor and strategy consultant advising companies on commercialisation and IP management, business development, mergers and acquisitions strategy and raising equity capital from private and public equity markets.<br><br>Mr Pocock is currently the principal of Polaris Consulting (WA) Pty Ltd, is currently Executive Director of Osteopore Limited (ASX:OSX) and was formerly the Managing Director of Hazer Group Ltd (ASX: HZR), an ASX-listed cleantech chemical engineering company, commercialising a novel low cost and low emission graphite and hydrogen production process initially developed by the University of Western Australia.<br><br>Mr Pocock previously spent several years as a research scientist in the biopharmaceutical industry in Australia and the United Kingdom. |
| Other current directorships: | Osteopore Limited (ASX:OSX) |
| Former directorships (last 3 years): | Hazer Group Ltd (ASX: HZR) |
| Special responsibilities: | Chair of Remuneration & Nomination Committee and Member of Audit & Risk Committee |
| Interests in shares: | 350,000 |
| Interests in options: | 500,000 |

| | |
|---|---|
| Name: | Ryan Laws |
| Title: | Non-Executive Director |
| Qualifications: | None |
| Experience and expertise: | Mr Ryan Laws has been involved in the establishment, structuring and capital raising for multiple start-up and early stage companies prior to co-founding the Company. Mr Laws has been investing for a number of years and has an extensive reach throughout the investing community including a number of high net worth and sophisticated investors. |
| Other current directorships: | None |
| Former directorships (last 3 years): | None |
| Special responsibilities: | Member of Remuneration & Nomination Committee |
| Interests in shares: | 3,312,500 |
| Interests in options: | 500,000 |

'Other current directorships' quoted above are current directorships for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

'Former directorships (last 3 years)' quoted above are directorships held in the last 3 years for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

**Company secretary**
Emma Waldon has held the role of Company Secretary since 7 August 2017. Emma has diverse corporate advisory, capital markets and corporate governance experience having held roles in accounting and debt and equity capital markets in Australia and the United Kingdom. Emma Waldon qualified as a Chartered Accountant with Ernst & Young in Perth, worked as an Equities Analyst with Euroz Securities and spent 9 years in London with Bank of Scotland and Lloyds Bank originating and re-structuring debt finance for private equity leveraged buy-outs of businesses across Europe. Emma is currently Company Secretary of Hazer Group Limited (ASX: HZR), Parkd Ltd (ASX: PKD) and a number of unlisted companies.

Emma Waldon completed a Bachelor of Commerce at UWA, a Post Graduate Diploma in Applied Finance and Investment from Securities Institute of Australia and is a member of the Institute of Chartered Accountants of Australia and a Certificated Member of the Governance Institute of Australia

**Meetings of directors**
The number of meetings of the company's Board of Directors ('the Board') and of each Board committee held during the year ended 30 June 2019, and the number of meetings attended by each director were:

| | Full board | | Nomination and Remuneration Committee | | Audit and Risk Committee | |
|---|---|---|---|---|---|---|
| | Attended | Held | Attended | Held | Attended | Held |
| John Keep | 6 | 6 | - | - | 2 | 2 |
| Tony Keane | 6 | 6 | 1 | 1 | 2 | 2 |
| Scott Kirkland | 6 | 6 | - | - | - | - |
| Geoff Pocock | 6 | 6 | 1 | 1 | 2 | 2 |
| Ryan Laws | 6 | 6 | 1 | 1 | - | - |

Held: represents the number of meetings held during the time the director held office or was a member of the relevant committee.

**Remuneration report (audited)**
The remuneration report details the key management personnel remuneration arrangements for the company, in accordance with the requirements of the Corporations Act 2001 and its Regulations.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including all directors.

The remuneration report is set out under the following main headings:
- Principles used to determine the nature and amount of remuneration
- Details of remuneration
- Service agreements
- Share-based compensation
- Additional information
- Additional disclosures relating to key management personnel

***Principles used to determine the nature and amount of remuneration***
The objective of the company's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with the achievement of strategic objectives and the creation of value for shareholders, and it is considered to conform to the market best practice for the delivery of reward. The Board of Directors ('the Board') ensures that executive reward satisfies the following key criteria for good reward governance practices:
- competitiveness and reasonableness
- acceptability to shareholders
- performance linkage / alignment of executive compensation
- transparency

The Nomination and Remuneration Committee is responsible for determining and reviewing remuneration arrangements for its directors and executives. The performance of the company depends on the quality of its directors and executives. The remuneration philosophy is to attract, motivate and retain high performance and high quality personnel.

The Nomination and Remuneration Committee has structured an executive remuneration framework that is market competitive and complementary to the reward strategy of the company.

The reward framework is designed to align executive reward to shareholders' interests. The Board have considered that it should seek to enhance shareholders' interests by:
- having economic profit as a core component of plan design
- focusing on sustained growth in shareholder wealth, consisting of dividends and growth in share price, and delivering constant or increasing return on assets as well as focusing the executive on key non-financial drivers of value
- attracting and retaining high calibre executives

Additionally, the reward framework should seek to enhance executives' interests by:
- rewarding capability and experience
- reflecting competitive reward for contribution to growth in shareholder wealth
- providing a clear structure for earning rewards

In accordance with best practice corporate governance, the structure of non-executive director and executive director remuneration is separate.

*Non-executive directors remuneration*
Fees and payments to non-executive directors reflect the demands and responsibilities of their role. Non-executive directors' fees and payments are reviewed annually by the Nomination and Remuneration Committee. The Nomination and Remuneration Committee may, from time to time, receive advice from independent remuneration consultants to ensure non-executive directors' fees and payments are appropriate and in line with the market. Non-executive directors do not receive any retirement benefits, other than statutory superannuation.

ASX listing rules require the aggregate non-executive directors' remuneration be determined periodically by a general meeting. The Aggregate fixed remuneration for all non-executive directors as determined by the Board is not to exceed $300,000 per annum. Directors’ fees cover all main board and committee activities.

The level of non-executive director fixed fees as at the reporting date are as follows:

| | |
|---|---|
| Tony Keane | $25,000 plus applicable GST & statutory superannuation per annum, $5,000 plus applicable GST & statutory superannuation per annum whilst serving as Chair of the Audit & Risk Committee. |
| Geoff Pocock | $25,000 plus applicable GST & statutory superannuation per annum, $5,000 plus applicable GST & statutory superannuation per annum whilst serving as Chair of the Nomination and Remuneration Committee. |
| Ryan Laws | $25,000 plus statutory superannuation per annum. |

Non-executive directors may also receive performance related compensation via options following receipt of shareholder approval. The issue of share-based payments as part of non-executive director remuneration ensures that director remuneration is competitive with market standards as well as providing an incentive to pursue longer term success for the company. It also reduces the demand on the cash resources of the company and assists in ensuring the continuity of service of directors who have extensive knowledge of the company, its business activities and assets and the industry in which it operates. Details of share-based compensation are contained in this report.

*Executive remuneration*
The company aims to reward executives based on their position and responsibility, with a level and mix of remuneration which has both fixed and variable components.

The executive remuneration and reward framework has four components:
- base pay and non-monetary benefits
- short-term performance incentives
- share-based payments
- other remuneration such as superannuation and long service leave

The combination of these comprises the executive's total remuneration.

Fixed remuneration, consisting of base salary, superannuation and non-monetary benefits, are reviewed annually based on individual and business unit performance, the overall performance of the company and comparable market remunerations.

Executives may receive their fixed remuneration in the form of cash or other fringe benefits (for example motor vehicle benefits) where it does not create any additional costs to the company and provides additional value to the executive.

Performance based short-term incentives ('STI') may be provided to executives to align the targets of the business with the targets of those executives responsible for meeting those targets.

The long-term incentives ('LTI') include long service leave and share-based payments. Shares and options may be awarded to executives based on long-term incentive measures including increasing shareholder value. Share Based LTIs issued to Directors are subject to shareholder approval. The Nomination and Remuneration Committee reviewed the long-term equity-linked performance incentives specifically for executives during the year ended 30 June 2019.

*Use of remuneration consultants*
The company has not engaged the services of any remuneration consultants during the financial year.

*Voting and comments made at the company's Annual General Meeting ('AGM')*
The company is yet to hold an AGM as EMVision Medical Devices Ltd ("EMV") was admitted to the Official List of ASX Limited ('ASX') on Tuesday 11 December 2018.

***Details of remuneration***

*Amounts of remuneration*
Details of the remuneration of key management personnel of the company are set out in the following tables.

The key management personnel of the company consisted of the following directors of EMVision Medical Devices Ltd:
- John Keep - Executive Chairman
- Tony Keane - Non-Executive Director
- Scott Kirkland - Executive Director
- Geoff Pocock - Non-Executive Director
- Ryan Laws - Non-Executive Director

And the following persons:
- Ron Weinberger - Chief Executive Officer

| | Short-term benefits | | | Post-employment benefits | Long-term benefits | Share-based payments | | |
|---|---|---|---|---|---|---|---|---|
| **2019** | Cash salary and fees $ | Cash bonus $ | Non-monetary $ | Super-annuation $ | Long service leave $ | Equity-settled shares $ | Equity-settled options $ | Total $ |
| *Non-Executive Directors:* | | | | | | | | |
| Tony Keane | 30,000 | - | - | 2,850 | - | - | 41,237 | 74,087 |
| Geoff Pocock | 17,500 | 25,000[1] | - | 1,663 | - | 20,000 | 41,237 | 105,400 |
| Ryan Laws | 29,583 | 25,000[1] | - | 1,385 | - | - | 41,237 | 97,205 |
| *Executive Directors:* | | | | | | | | |
| Scott Kirkland | 149,583 | - | - | 14,210 | - | - | 49,484 | 213,277 |
| John Keep | 86,667 | - | - | 8,233 | - | - | 32,989 | 127,889 |
| *Other Key Management Personnel:* | | | | | | | | |
| Ron Weinberger | 237,443 | - | - | 22,557 | - | 120,223 | 63,945 | 444,168 |
| | 550,776 | 50,000 | - | 50,898 | - | 140,223 | 270,129 | 1,062,026 |

[1] Pursuant to their respective letter agreements, Geoff Pocock and Ryan Laws were each paid a once off success fee of $25,000 upon admission, in respect of work undertaken for the company prior to admission.

| | Short-term benefits | | | Post-employment benefits | Long-term benefits | Share-based payments | | |
|---|---|---|---|---|---|---|---|---|
| **2018** | Cash salary and fees $ | Cash bonus $ | Non-monetary $ | Super-annuation $ | Long service leave $ | Equity-settled shares $ | Equity-settled options $ | Total $ |
| *Non-Executive Directors:* | | | | | | | | |
| Tony Keane | - | - | - | - | - | - | - | - |
| Geoff Pocock | - | - | - | - | - | - | - | - |
| Ryan Laws | 20,419 | - | - | - | - | - | - | 20,419 |
| *Executive Directors:* | | | | | | | | |
| Scott Kirkland | 41,032 | - | - | 3,898 | - | - | - | 44,930 |
| John Keep | 42,742 | - | - | 4,060 | - | - | - | 46,802 |
| *Other Key Management Personnel:* | | | | | | | | |
| Ron Weinberger | 23,440 | - | - | 2,227 | - | - | - | 25,667 |
| | 127,633 | - | - | 10,185 | - | - | - | 137,818 |

The proportion of remuneration linked to performance and the fixed proportion are as follows:

| | Fixed remuneration | | At risk - STI | | At risk - LTI | |
|---|---|---|---|---|---|---|
| Name | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 |
| *Non-Executive Directors:* | | | | | | |
| Tony Keane | 44% | - | - | - | 56% | - |
| Geoff Pocock | 18% | - | 24% | - | 58% | - |
| Ryan Laws | 32% | 100% | 26% | - | 42% | - |
| *Executive Directors:* | | | | | | |
| Scott Kirkland | 77% | 100% | - | - | 23% | - |
| John Keep | 74% | 100% | - | - | 26% | - |
| *Other Key Management Personnel:* | | | | | | |
| Ron Weinberger | 59% | 100% | - | - | 41% | - |

***Service agreements***
Remuneration and other terms of employment for key management personnel are formalised in service agreements. Details of these agreements are as follows:

| | |
|---|---|
| Name: | John Keep |
| Title: | Executive Chairman |
| Agreement commenced: | 12 July 2018 |
| Term of agreement: | Open |
| Details: | Base salary of $95,000 plus superannuation, to be reviewed annually by the Nomination and Remuneration Committee. 3 month termination notice by either party. 12 month non-solicitation clause after termination. |

| | |
|---|---|
| Name: | Scott Kirkland |
| Title: | Executive Director |
| Agreement commenced: | 12 July 2018 |
| Term of agreement: | Open |
| Details: | Base salary of $205,000 plus superannuation, to be reviewed annually by the Nomination and Remuneration Committee. 3 month termination notice by either party. 12 month non-solicitation clause after termination. |

| | |
|---|---|
| Name: | Ron Weinberger |
| Title: | Chief Executive Officer |
| Agreement commenced: | 28 May 2018 |
| Term of agreement: | Open |
| Details: | Base salary of $260,000 inclusive of superannuation, to be reviewed annually by the Nomination and Remuneration Committee. 6 month termination notice by either party. 12 month non-solicitation clause after termination. |

Key management personnel have no entitlement to termination payments in the event of removal for misconduct.

***Share-based compensation***

*Issue of shares*
Details of shares issued to directors and other key management personnel as part of compensation during the year ended 30 June 2019 are set out below:

| Name | Date issued | Shares | Issue price | $ |
|---|---|---|---|---|
| Geoff Pocock | 17/07/2018 | 125,000 | 0.16 | 20,000 |
| Ron Weinberger [1] | 17/07/2018 | 1,000,000 | 0.12 | 120,223 |

[1] The company entered into a non-recourse loan agreement with Dr Ron Weinberger to purchase 1,000,000 ordinary shares. The fair value of the share-based payment was $120,223.

The fair value was determined by using the Black-Scholes model. The valuation model inputs used to determine the fair value at the grant date are set out below.

| Number | Grant Date | Exercise price | Share price at grant date | Expected volatility | Dividend yield | Risk-free interest rate | Fair value per option at grant date |
|---|---|---|---|---|---|---|---|
| 1,000,000 | 17-Jul-18 | 0.16 | 0.16 | 100% | 0% | 2.31% | 0.12 |

*Options*
The terms and conditions of each grant of options over ordinary shares affecting remuneration of directors and other key management personnel in this financial year or future reporting years are as follows:

| Name | Number of options granted | Grant date | Expiry date | Exercise price | Fair value per option at grant date |
|---|---|---|---|---|---|
| John Keep | 400,000 | 17/07/2018 | 31/12/2021 | 0.35 | 0.08 |
| Tony Keane | 500,000 | 17/07/2018 | 31/12/2021 | 0.35 | 0.08 |
| Scott Kirkland | 600,000 | 17/07/2018 | 31/12/2021 | 0.35 | 0.08 |
| Geoff Pocock | 500,000 | 17/07/2018 | 31/12/2021 | 0.35 | 0.08 |
| Ryan Laws | 500,000 | 17/07/2018 | 31/12/2021 | 0.35 | 0.08 |
| Ron Weinberger | 1,000,000 | 17/07/2018 | 31/12/2021 | 0.35 | 0.08 |

Options granted carry no dividend or voting rights.

### *Additional information*
The earnings of the company for the five years to 30 June 2019 are summarised below:

| | 2019<br>$ | 2018<br>$ | 2017<br>$ | 2016<br>$ | 2015<br>$ |
|---|---|---|---|---|---|
| Revenue | 1,414,438 | 492,667 | N/A | N/A | N/A |
| EBITDA | (2,958,602) | (844,572) | N/A | N/A | N/A |
| EBIT | (2,958,602) | (844,572) | N/A | N/A | N/A |
| Loss after income tax | (2,959,362) | (845,040) | N/A | N/A | N/A |

The factors that are considered to affect total shareholders return ('TSR') are summarised below:

| | 2019 | 2018 | 2017 | 2016 | 2015 |
|---|---|---|---|---|---|
| Share price at financial year end ($) | 0.365 | N/A | N/A | N/A | N/A |
| Total dividends declared (cents per share) | - | - | N/A | N/A | N/A |
| Basic earnings per share (cents per share) | (6.3) | (4.1) | N/A | N/A | N/A |

N/A – Not applicable as EMVision Medical Devices Ltd was incorporated on 11 July 2017.
* - EMVision Medical Devices Ltd (“EMV”) was admitted to the Official List of ASX Limited (‘ASX’) on Tuesday 11 December 2018.

### *Additional disclosures relating to key management personnel*

*Shareholding*
The number of shares in the company held during the financial year by each director and other members of key management personnel of the company, including their personally related parties, is set out below:

| *Ordinary shares* | Balance at the start of the year | Received as part of remuneration | Additions | Disposals/ other | Balance at the end of the year |
|---|---|---|---|---|---|
| John Keep | 1,707,500 | - | - | - | 1,707,500 |
| Tony Keane | - | - | 100,000[1] | - | 100,000 |
| Scott Kirkland | 3,575,000 | - | 173,400[2] | - | 3,748,400 |
| Geoff Pocock | 100,000 | 125,000 | 125,000[3] | - | 350,000 |
| Ryan Laws | 3,212,500 | - | 100,000[4] | - | 3,312,500 |
| Ron Weinberger | - | 1,000,000 | - | - | 1,000,000 |
| | 8,595,000 | 1,125,000 | 498,400 | - | 10,218,400 |

[1] Initial public offering 100,000 shares
[2] On market purchase 53,400 shares & initial public offering 120,000 shares
[3] On market purchase 85,000 shares & initial public offering 40,000 shares
[4] On market purchase 100,000 shares

*Option holding*

The number of options over ordinary shares in the company held during the financial year by each director and other members of key management personnel of the company, including their personally related parties, is set out below:

| *Options over ordinary shares* | Balance at the start of the year | Granted | Exercised | Expired/ forfeited/ other | Balance at the end of the year |
|---|---|---|---|---|---|
| John Keep | - | 400,000 | - | - | 400,000 |
| Tony Keane | - | 500,000 | - | - | 500,000 |
| Scott Kirkland | - | 600,000 | - | - | 600,000 |
| Geoff Pocock | - | 500,000 | - | - | 500,000 |
| Ryan Laws | - | 500,000 | - | - | 500,000 |
| Ron Weinberger | - | 1,000,000 | - | - | 1,000,000 |
| | - | 3,500,000 | - | - | 3,500,000 |

*Other transactions with key management personnel and their related parties*

At the current reporting period $1,418 was payable to Polaris Consulting (WA) Pty Ltd (related to non-executive director Geoff Pocock) for travel and accommodation costs incurred for the company board meeting.

***This concludes the remuneration report, which has been audited.***

## Shares under option

Unissued ordinary shares of EMVision Medical Devices Ltd under option at the date of this report are as follows:

| Grant date | Expiry date | Issue price | Number under option |
|---|---|---|---|
| 17/07/2018 | 31/12/2021 | 0.16 | 5,500,000 |
| 25/09/2018 | 11/12/2023 | 0.25 | 6,000,000 |
| 07/12/2018 | 31/12/2021 | 0.20 | 2,000,000 |
| 01/07/2019 | 01/07/2022 | 0.38 | 400,000 |

No person entitled to exercise the options had or has any right by virtue of the option to participate in any share issue of the company or of any other body corporate.

## Shares issued on the exercise of options

There were no shares issued during the year ended 30 June 2019 and up to the date of this report on the exercise of options granted.

## Indemnity and insurance of officers

The company has indemnified the directors and executives of the company for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the company paid a premium in respect of a contract to insure the directors and executives of the company against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

## Indemnity and insurance of auditor

The company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the company or any related entity against a liability incurred by the auditor.

During the financial year, the company has not paid a premium in respect of a contract to insure the auditor of the company or any related entity.

**Proceedings on behalf of the company**
No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the company, or to intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or part of those proceedings.

**Non-audit services**
Details of the amounts paid or payable to the auditor for non-audit services provided during the financial year by the auditor are outlined in note 18 to the financial statements.

The directors are satisfied that the provision of non-audit services during the financial year, by the auditor (or by another person or firm on the auditor's behalf), is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

The directors are of the opinion that the services as disclosed in note 18 to the financial statements do not compromise the external auditor's independence requirements of the Corporations Act 2001 for the following reasons:

- all non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional and Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the company, acting as advocate for the company or jointly sharing economic risks and rewards.

**Officers of the company who are former partners of BDO East Coast Partnership**
There are no officers of the company who are former partners BDO East Coast Partnership.

**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 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 immediately after this directors' report.

**Auditor**
BDO East Coast Partnership continues in office in accordance with section 327 of the Corporations Act 2001.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the directors

John Keep
Director

30 August 2019
Brisbane

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Fax: +61 2 9240 9821
www.bdo.com.au

Level 11, 1 Margaret St
Sydney NSW 2000
Australia

**DECLARATION OF INDEPENDENCE BY ARTHUR MILNER TO THE DIRECTORS OF EMVISION MEDICAL DEVICES LTD**

As lead auditor of EMVision Medical Devices Ltd for the year ended 30 June 2019, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

Arthur Milner
Partner

**BDO East Coast Partnership**

Sydney, 30 August 2019

# Contents




## General information

The financial statements cover EMVision Medical Devices Ltd. The financial statements are presented in Australian dollars, which is EMVision Medical Devices Ltd 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** | **Principal place of business** |
|---|---|
| BDO (QLD) Pty Ltd<br>Level, 10, 12 Creek Street<br>Brisbane QLD 4000 | 72 Victoria Road<br>Rozelle 2039 NSW |

A description of the nature of the company's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 30 August 2019. The directors have the power to amend and reissue the financial statements.

**EMVision Medical Devices Ltd**
**Statement of profit or loss and other comprehensive income**
**For the year ended 30 June 2019**

| | Note | 2019 $ | 2018 $ |
|---|---|---|---|
| **Income** | | | |
| Grant income | | 951,970 | 401,000 |
| R&D rebate | | 279,135 | - |
| Other income | | 183,333 | 91,667 |
| Interest income | | - | 15 |
| **Total income** | | 1,414,438 | 492,682 |
| **Expenses** | | | |
| Administration expenses | 14 | (741,972) | (198,313) |
| Employee expenses | 15 | (953,841) | (183,065) |
| Research and development costs | | (1,960,457) | (955,876) |
| Finance costs | | (761) | (467) |
| Share based payments | 12 | (716,769) | - |
| **Total expenses** | | (4,373,800) | (1,337,721) |
| **Loss before income tax expense** | | (2,959,362) | (845,040) |
| Income tax expense | 10 | - | - |
| **Loss after income tax expense for the year** | | (2,959,362) | (845,040) |
| Other comprehensive income for the year, net of tax | | - | - |
| **Total comprehensive loss for the year** | | (2,959,362) | (845,040) |
| | | **Cents** | **Cents** |
| Basic earnings per share | 24 | (6.3) | (4.1) |
| Diluted earnings per share | 24 | (6.3) | (4.1) |

*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**
**For the year ended 30 June 2019**

| | Note | 2019<br>$ | 2018<br>$ |
|---|---|---|---|
| **Assets** | | | |
| **Current assets** | | | |
| Cash and cash equivalents | 4 | 4,383,342 | 1,018,072 |
| Trade and other receivables | 5 | 50,417 | 50,417 |
| Other current assets | 6 | 149,489 | 66,226 |
| **Total current assets** | | 4,583,248 | 1,134,715 |
| **Non-current assets** | | | |
| Intangibles | 7 | 480,000 | 480,000 |
| **Total non-current assets** | | 480,000 | 480,000 |
| **Total assets** | | 5,063,248 | 1,614,715 |
| **Liabilities** | | | |
| **Current liabilities** | | | |
| Trade and other payables | 8 | 419,749 | 335,610 |
| Employee benefits | 9 | 40,306 | - |
| **Total current liabilities** | | 460,055 | 335,610 |
| **Total liabilities** | | 460,055 | 335,610 |
| **Net assets** | | 4,603,193 | 1,279,105 |
| **Equity** | | | |
| Issued capital | 11 | 7,708,635 | 2,124,145 |
| Reserves | 12 | 698,960 | - |
| Accumulated losses | 13 | (3,804,402) | (845,040) |
| **Total equity** | | 4,603,193 | 1,279,105 |

*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 year ended 30 June 2019**

| | Issued capital $ | Reserves $ | Accumulated losses $ | Total equity $ |
|---|---|---|---|---|
| Balance at 11 July 2017 | - | - | - | - |
| Loss after income tax expense for the year | - | - | (845,040) | (845,040) |
| Other comprehensive income for the year, net of tax | - | - | - | - |
| Total comprehensive loss for the year | - | - | (845,040) | (845,040) |
| *Transactions with owners in their capacity as owners:* | | | | |
| Contributions of equity, net of transaction costs | 2,124,145 | - | - | 2,124,145 |
| Balance at 30 June 2017 | 2,124,145 | - | (845,040) | 1,279,105 |

| | Issued capital $ | Reserves $ | Accumulated losses $ | Total equity $ |
|---|---|---|---|---|
| Balance at 1 July 2018 | 2,124,145 | - | (845,040) | 1,279,105 |
| Loss after income tax expense for the year | - | - | (2,959,362) | (2,959,362) |
| Other comprehensive income for the year, net of tax | - | - | - | - |
| Total comprehensive loss for the year | - | - | (2,959,362) | (2,959,362) |
| *Transactions with owners in their capacity as owners:* | | | | |
| Contributions of equity, net of transaction costs | 5,284,267 | - | - | 5,284,267 |
| Share based payments | 300,223 | 698,960 | - | 999,183 |
| Balance at 30 June 2019 | 7,708,635 | 698,960 | (3,804,402) | 4,603,193 |

*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 year ended 30 June 2019**

| | Note | 2019<br>$ | 2018<br>$ |
|---|---|---|---|
| **Cash flows from operating activities** | | | |
| Receipts from customers (inclusive of GST) | | 1,414,438 | 471,517 |
| Payments to suppliers and employees (inclusive of GST) | | (3,628,938) | (1,150,656) |
| Interest received | | - | 15 |
| Interest and other finance costs paid | | (761) | (467) |
| **Net cash (used in) operating activities** | 23 | (2,215,261) | (679,591) |
| **Cash flows from investing activities** | | | |
| **Net cash provided by/ (used in) investing activities** | | - | - |
| **Cash flows from financing activities** | | | |
| Proceeds from issue of shares, net of share issue costs | | 5,580,531 | 1,697,663 |
| **Net cash provided by financing activities** | | 5,580,531 | 1,697,663 |
| Net increase in cash and cash equivalents | | 3,365,270 | 1,018,072 |
| Cash and cash equivalents at the beginning of the financial year | | 1,018,072 | - |
| Cash and cash equivalents at the end of the financial year | 4 | 4,383,342 | 1,018,072 |

*The above statement of cash flows should be read in conjunction with the accompanying notes*

## Note 1. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, 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 ('AASB') that are mandatory for the current reporting period. The adoption of these Accounting Standards and Interpretations has not resulted in a significant or material change to the company's accounting policies.

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

The adoption of AASB 9 Financial Instruments and AASB 15 Revenue from Contracts with Customers did not have any significant impact on the financial performance or position of the company.

**Basis of preparation**
These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

*Historical cost convention*
The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of financial assets and liabilities at fair value through profit or loss, financial assets at fair value through other comprehensive income, investment properties, certain classes of property, plant and equipment and derivative financial instruments.

*Critical accounting estimates*
The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

*Comparatives*
Comparatives are from the period of incorporation 11 July 2017 to 30 June 2018.

**Operating segments**
Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ('CODM'). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

**Revenue recognition**
Revenue is recognised when it is probable that the economic benefit will flow to the company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable.

*Grant income*
The company receives grant income from the federal government. The Company recognises the grant income when the conditions attached to the grant are satisfied and there is reasonable assurance the grant will be received.

*Interest*
Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

*Other income*
Other income is recognised when it is received or when the right to receive payment is established.

**Note 1. Significant accounting policies (continued)**

**Impairment of other tangible and intangible assets**
At each reporting date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash generating unit) is reduced to its recoverable amount.

An impairment loss is recognised in profit or loss immediately, unless the relevant asset is carried at fair value, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised in profit or loss immediately, unless the relevant asset is carried at fair value, in which case the reversal of the impairment loss is treated as a revaluation increase.

**Income tax**
The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

**Current and non-current classification**
Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

**Note 1. Significant accounting policies (continued)**

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the company's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the company's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

**Cash and cash equivalents**
Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. For the statement of cash flows presentation purposes, cash and cash equivalents also includes bank overdrafts, which are shown within borrowings in current liabilities on the statement of financial position.

**Trade and other receivables**
Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

The company has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

**Impairment of non-financial assets**
Goodwill and other intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

**Trade and other payables**
These amounts represent liabilities for goods and services provided to the company prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

**Finance costs**
Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred.

**Employee benefits**

*Short-term employee benefits*
Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

**Note 1. Significant accounting policies (continued)**

*Defined contribution superannuation expense*
Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

*Share-based payments*
Equity-settled and cash-settled share-based compensation benefits are provided to employees.

Equity-settled transactions are awards of shares, or options over shares, that are provided to employees in exchange for the rendering of services. Cash-settled transactions are awards of cash for the exchange of services, where the amount of cash is determined by reference to the share price.

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using either the Binomial or Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the company receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

The cost of cash-settled transactions is initially, and at each reporting date until vested, determined by applying either the Binomial or Black-Scholes option pricing model, taking into consideration the terms and conditions on which the award was granted. The cumulative charge to profit or loss until settlement of the liability is calculated as follows:
- during the vesting period, the liability at each reporting date is the fair value of the award at that date multiplied by the expired portion of the vesting period.
- from the end of the vesting period until settlement of the award, the liability is the full fair value of the liability at the reporting date.

All changes in the liability are recognised in profit or loss. The ultimate cost of cash-settled transactions is the cash paid to settle the liability.

Market conditions are taken into consideration in determining fair value. Therefore any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the company or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the company or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

**Issued capital**
Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

**Dividends**
Dividends are recognised when declared during the financial year and no longer at the discretion of the company.

## Note 1. Significant accounting policies (continued)

### Earnings per share

*Basic earnings per share*
Basic earnings per share is calculated by dividing the profit attributable to the owners of the company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

*Diluted earnings per share*
Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

### Goods and Services Tax ('GST') and other similar taxes
Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

### Intangible assets
Intangible assets acquired as part of a business combination, other than goodwill, are initially measured at their fair value at the date of the acquisition. Intangible assets acquired separately are initially recognised at cost. Indefinite life intangible assets are not amortised and are subsequently measured at cost less any impairment. Finite life intangible assets are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

*Research and development*
Research costs are expensed in the period in which they are incurred.

Development costs are capitalised when it is probable that the project will be successful considering its commercial and technical feasibility; the company is able to use or sell the asset; the company has sufficient resources; and intent to complete the development and its costs can be measured reliably. Capitalised development costs are amortised on a straight-line basis over the period of their expected benefit.

### New Accounting Standards and Interpretations not yet mandatory or early adopted
Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the company for the annual reporting period ended 30 June 2019. The company's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the company, are set out below.

## Note 1. Significant accounting policies (continued)

*AASB 16 Leases*
This standard is applicable to annual reporting periods beginning on or after 1 January 2019. The standard replaces AASB 117 'Leases' and for lessees will eliminate the classifications of operating leases and finance leases. Subject to exceptions, a 'right-of-use' asset will be capitalised in the statement of financial position, measured at the present value of the unavoidable future lease payments to be made over the lease term. The exceptions relate to short-term leases of 12 months or less and leases of low-value assets (such as personal computers and small office furniture) where an accounting policy choice exists whereby either a 'right-of-use' asset is recognised or lease payments are expensed to profit or loss as incurred. A liability corresponding to the capitalised lease will also be recognised, adjusted for lease prepayments, lease incentives received, initial direct costs incurred and an estimate of any future restoration, removal or dismantling costs. Straight-line operating lease expense recognition will be replaced with a depreciation charge for the leased asset (included in operating costs) and an interest expense on the recognised lease liability (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 117. However EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) results will be improved as the operating expense is replaced by interest expense and depreciation in profit or loss under AASB 16. For classification within the statement of cash flows, the lease payments will be separated into both a principal (financing activities) and interest (either operating or financing activities) component. For lessor accounting, the standard does not substantially change how a lessor accounts for leases. The company has made an assessment and determined that this standard will not have a material impact on the entity as it only had short term leases of 12 months or less for the period ended 30 June 2019. As at 1 July 2019, the company wasn't party to any arrangements that would qualify for recognition and measurement in accordance with AASB 16 and doesn't expect to enter into any such arrangements in the near future.

## Note 2. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

*Share-based payment transactions*
The company measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using either the Binomial or Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

*Impairment of intangibles*
The company assesses impairment at the end of each reporting period by evaluating conditions and events specific to the company that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using calculations which incorporate various key assumptions. All intangible assets are accounted for using the cost model whereby costs are amortised on a straight-line basis over their estimated useful lives. The company has yet to ascribe an estimated useful life of the intangibles as the patents are provisional and the technology is subject to research and development before being commercialized and available for use. Residual values and useful lives are reviewed at each reporting date.

## Note 3. Operating segments

The company has considered the requirements of AASB 8 – Operating Segments and has 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 company operates as a single segment being research and development of medical device technology. The board of directors review the earnings before tax and net assets of the company. There is no difference between the audited financial report and the internal reports generated for review. The company is domiciled in Australia and is currently in the development phase and hence has not begun to generate revenue from operations. All the assets are located in Australia.

## Note 4. Current assets - cash and cash equivalents

| | 2019 $ | 2018 $ |
|---|---|---|
| Cash at bank | 4,383,342 | 1,018,072 |
| | 4,383,342 | 1,018,072 |

## Note 5. Current assets - trade and other receivables

| | 2019 $ | 2018 $ |
|---|---|---|
| Trade receivables | 50,417 | 50,417 |
| | 50,417 | 50,417 |

## Note 6. Current assets - other

| | 2019 $ | 2018 $ |
|---|---|---|
| Prepayments | 42,333 | 13,850 |
| GST refundable | 107,156 | 52,376 |
| | 149,489 | 66,226 |

## Note 7. Non-current assets - intangibles

| | 2019 $ | 2018 $ |
|---|---|---|
| Opening balance | 480,000 | 480,000 |
| Amortisation * | - | - |
| Closing balance | 480,000 | 480,000 |

* The company has yet to ascribe an estimated useful life of the intangibles for amortisation purposes as the patents are provisional and the technology is subject to research and development before being commercialized and available for use.

## Note 8. Current liabilities - trade and other payables

| | 2019 $ | 2018 $ |
|---|---|---|
| Trade payables | 342,313 | 276,406 |
| Other payables | 49,870 | 29,919 |
| GST payable | 27,566 | 29,285 |
| | 419,749 | 335,610 |

## Note 9. Current liabilities - employee benefits

| | 2019 $ | 2018 $ |
|---|---|---|
| Employee benefits | 40,306 | - |
| | 40,306 | - |

## Note 10. Income tax

The prima facie tax receivable on loss before income tax is reconciled to the income tax expense as follows

| | 2019 $ | 2018 $ |
|---|---|---|
| Prima facie benefit on operating loss at 27.5% | 813,825 | 232,386 |
| Tax losses not brought to account | (813,825) | (232,386) |
| Income tax benefit attributable to operating loss | - | - |

A potential deferred tax asset, attributable to tax losses carried forward, amounts to approximately $1,046,211 (2018: $232,386) and has not been brought to account at reporting date because the directors do not believe it is appropriate to regard realisation of the deferred tax asset as probable at this point in time. This benefit will only be obtained if:

- the company derives future assessable income of a nature and of an amount sufficient to enable the benefit from the deductions for the loss and research and development expenditure to be realised;
- the company continues to comply with the conditions for deductibility imposed by law; and no changes in tax legislation adversely affect the Company in realising the benefit from the deductions for the loss and research and development expenditure.

## Note 11. Equity - issued capital

| | 2019 Shares | 2018 Shares | 2019 $ | 2018 $ |
|---|---|---|---|---|
| Ordinary shares - fully paid | 57,578,750 | 31,453,750 | 7,712,769 | 2,124,145 |

*Movements in ordinary share capital*

| Details | Date | Shares | Issue price | $ |
|---|---|---|---|---|
| Balance | 10 July 2017 | - | - | - |
| Issue of shares on incorporation | 11 July 2017 | 200 | 1.00 | 200 |
| Split of shares on a 32,000 to 1 basis | 9 August 2017 | 6,400,000 | - | 200 |
| Issue of shares | 4 September 2017 | 1,600,000 | 0.0001 | 160 |
| Issue of shares | 15 September 2017 | 1,025,000 | 0.0001 | 102 |
| Issue of shares | 22 September 2017 | 1,380,000 | 0.05 | 69,000 |
| Issue of shares | 26 September 2017 | 360,000 | 0.05 | 18,000 |
| Issue of shares | 17 November 2017 | 9,250,000 | 0.08 | 740,000 |
| Issue of shares for intangible asset | 17 November 2017 | 6,000,000 | 0.08 | 480,000 |
| Issue of shares | 30 April 2018 | 5,438,750 | 0.16 | 870,200 |
| Share issue transaction costs, net of tax | 30 April 2018 | - | | (53,517) |
| Balance | 30 June 2018 | 31,453,750 | | 2,124,145 |
| Issue of shares - key management personnel [1] | 17 July 2018 | 1,000,000 | 0.12 | 120,223 |
| Issue of shares - key management personnel | 17 July 2018 | 1,125,000 | 0.16 | 180,000 |
| Issue of shares - initial public offering | 7 December 2018 | 24,000,000 | 0.25 | 6,000,000 |
| Share issue transaction costs, net of tax | | - | | (715,733) |
| Balance | 30 June 2019 | 57,578,750 | | 7,708,635 |

[1] The company entered into a non-recourse loan agreement with Dr Ron Weinberger (key management personnel) to purchase 1,000,000 ordinary shares. The fair value of the share-based payment was $120,223. The shares were issued on 17 July 2018.

The fair value was determined by using the Black-Scholes model. The valuation model inputs used to determine the fair value at the grant date are set out below.

| Number | Grant Date | Exercise price | Share price at grant date | Expected volatility | Dividend yield | Risk-free interest rate | Fair value per option at grant date |
|---|---|---|---|---|---|---|---|
| 1,000,000 | 17-Jul-18 | 0.16 | 0.16 | 100% | 0% | 2.31% | 0.12 |

*Ordinary shares*
Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

*Share buy-back*
There is no current on-market share buy-back.

*Capital risk management*
The company's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

## Note 11. Equity - issued capital (continued)

*Capital risk management (continued)*
In order to maintain or adjust the capital structure, the company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The company would look to raise capital when an opportunity to invest in a business or company was seen as value adding relative to the current company's share price at the time of the investment. The company is not actively pursuing additional investments in the short term as it continues to integrate and grow its existing businesses in order to maximise synergies.

## Note 12. Equity - reserves

| | 2019 $ | 2018 $ |
|---|---|---|
| Options reserve | 698,960 | - |
| | 698,960 | - |

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

*Movements in reserves*
Movements in each class of reserve during the current and previous financial year are set out below:

| | Options reserve $ | Total $ |
|---|---|---|
| Balance at 11 July 2017 | - | - |
| Grant of share options | - | - |
| Balance at 30 June 2018 | - | - |
| Grant of share options *(i)* | 698,960 | 698,960 |
| Balance at 30 June 2019 | 698,960 | 698,960 |

**Note 12. Equity – reserves (continued)**

*(i) Share options*

Set out below are summaries of options granted during the year:

| Class | Number | Grant date | Expiry date | Exercise price | Fair value per option at grant date | Fair value | Recognised as expense in 2019 |
|---|---|---|---|---|---|---|---|
| Series A1 [1] | 5,500,000 | 17-Jul-2018 | 31-Dec-2021 | 0.35 | 0.0825 | 453,602 | 416,546 |
| Series A2 [2] | 2,000,000 | 7-Dec-2018 | 31-Dec-2021 | 0.35 | 0.1412 | 282,414 | 282,414 |

[1] Options issued to directors, employees and contractors.
[2] Options issued to the lead managers vested immediately and were treated as share issue costs in the statement of changes in equity.

For the options granted during the current financial year, the fair value was determined by using the Black-Scholes model. The valuation model inputs used to determine the fair value at the grant date, are as follows.

| Class | Grant Date | Exercise price | Share price at grant date | Expected volatility | Dividend yield | Risk-free interest rate | Fair value per option at grant date |
|---|---|---|---|---|---|---|---|
| Series A1 | 17-Jul-2018 | 0.35 | 0.16 | 100%[1] | 0% | 2.10% | 0.0825 |
| Series A2 | 7-Dec-2018 | 0.35 | 0.16 | 100%[1] | 0% | 1.93% | 0.1412 |

[1] As the company was unlisted at the grant date of the options there is a lack of historic market share price data to calculate the expected volatility. As a result a 100 per cent expected volatility has been used.

6,500,000 options were exercisable at the end of the financial year. 1,000,000 options will vest on Tuesday 11 December 2019 being 12 months from EMVision Medical Devices Ltd ("EMV") being admitted to the Official List of ASX Limited ('ASX').

The weighted average exercise price of options outstanding at the end of the financial year was $0.35. The weighted average fair value of options granted during the year was $0.10.

The weighted average remaining contractual life of options outstanding at the end of the financial year was 2.51 years.

**Performance Shares**

On 25 September 2018, the Company issued 6,000,000 performance shares to UniQuest. The performance shares convert to ordinary shares upon achievement of certain performance milestones as follows:

(a) Class A Performance shares: 1,800,000 performance shares will vest upon the completion of the first Successful Clinical Trial for a Licensed Product on patients (excluding healthy volunteers) for head or neck.
(b) Class B Performance shares: 2,100,000 performance shares will vest upon the issue of the first regulatory approval for any Licensed Product in any of Australia, North America or Europe for the head or neck.
(c) Class C Performance shares: 2,100,000 performance shares will vest upon the completion of the Successful Pivotal Clinical Trial for a Licensed Product for the torso.

The performance shares have been ascribed a $nil value. To date, none of the milestones for the performance shares have been met.

### Note 13. Equity – accumulated losses

| | 2019 $ | 2018 $ |
|---|---|---|
| Accumulated losses at the beginning of the financial year | (845,040) | - |
| Loss after income tax expense for the year | (2,959,362) | (845,040) |
| Accumulated losses at the end of the financial year | (3,804,402) | (845,040) |

### Note 14. Expenses - administration expenses

| | 2019 $ | 2018 $ |
|---|---|---|
| Compliance costs | 113,941 | 5,500 |
| Accounting fees | 99,475 | 27,031 |
| Legal fees | 154,411 | 75,648 |
| Investor relations and marketing | 131,670 | - |
| Corporate advisory fees | 35,000 | - |
| Insurance | 24,714 | 9,140 |
| General admin | 182,761 | 80,994 |
| | 741,972 | 198,313 |

### Note 15. Expenses - employee expenses

| | 2019 $ | 2018 $ |
|---|---|---|
| Wages & salaries | 879,637 | 171,921 |
| Superannuation | 66,887 | 11,144 |
| Payroll Tax | 7,317 | - |
| | 953,841 | 183,065 |

### Note 16. Financial risk management objectives and policies

The company's principal financial instruments comprise cash and short-term deposits.

The company manages its exposure to key financial risks, including interest rate and liquidity risk in accordance with its financial risk management policy. The objective of the policy is to support the delivery of its financial targets whilst protecting future financial security.

The company uses different methods to measure and manage different types of risks to which it is exposed. These include monitoring levels of exposure to interest rate risk and assessments of market forecast for interest rates. Liquidity risk is monitored through the development of future rolling cash flow forecasts.

Primary responsibility for identification and control of financial risks rests with the Board. The Board reviews and agrees policies for managing each of the risks identified below.

## Note 16. Financial risk management objectives and policies (continued)

*Interest rate risk*

At the reporting date, the company has $4,383,342 (2018: $1,018,072) in cash and cash equivalents exposed to interest rate risk.

The company's exposure to market interest rates relates primarily to cash and short-term deposits.

At the reporting date, if interest rates had moved, as illustrated in the table below, with all other variables held constant, net loss and equity would been affected as follows:

| | Net loss higher / (lower) | | Equity higher / (lower) | |
|---|---|---|---|---|
| | 2019 | 2018 | 2019 | 2018 |
| | $ | $ | $ | $ |
| +1% (100 basis points) | 43,883 | 10,180 | 43,883 | 10,180 |
| -1% (100 basis points) | (43,883) | (10,180) | (43,883) | (10,180) |

The movements are due to higher / lower interest revenue from cash balances.

*Liquidity risk*

Liquidity risk is managed through the company's objective to maintain adequate funding to meet its needs, currently represented by cash and short-term deposits sufficient to meet the current cash requirements.

*Capital management*

The primary objective of the company's capital management is to ensure that it maintains a strong credit rating and healthy capital rations in order to support its business and maximise shareholder value.

The company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the company may return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the years ended 30 June 2019 and 30 June 2018.

The company monitors capital with reference to the net debt position. The company's current policy is to keep the net debt position negative, such that cash and cash equivalents exceed debt.

## Note 17. Key management personnel disclosures

*Compensation*
The aggregate compensation made to directors and other members of key management personnel of the company is set out below:

| | 2019 | 2018 |
|---|---|---|
| | $ | $ |
| Short-term employee benefits | 600,776 | 127,633 |
| Long-term benefits | 50,898 | 10,185 |
| Share-based payments | 410,352 | - |
| | 1,062,026 | 137,818 |

## Note 18. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by BDO East Coast Partnership, the auditor of the company, its network firms and unrelated firms:

| | 2019<br>$ | 2018<br>$ |
|---|---|---|
| *Audit services - BDO East Coast Partnership* | | |
| Audit or review of the financial statements | 67,889 | 26,444 |
| Income tax advice | 13,618 | - |
| | 81,507 | 26,444 |
| *Other services - BDO Corporate Finance (East Coast) Pty Limited* | | |
| Preparation of the IAR | 20,000 | - |
| | 20,000 | - |
| *Other services - BDO (WA) Pty Ltd* | | |
| Assistance with Research & Development Tax Incentive claim | 10,000 | - |
| Preparation of the income tax return | 5,712 | - |
| | 15,712 | - |
| | 117,219 | 26,444 |

## Note 19. Contingent assets and liabilities

The company does not have any contingent liabilities at 30 June 2019.

The company has the following contingent assets at 30 June 2019:

- under the CRCP grant the Company is due to receive $1,247,030 in cash contributions from the Australian Commonwealth Government ($756,270 within one year and $490,760 later than 1 year but not later than 5 years) 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 $680,833 in cash contributions from the research program's partner participants, UQ, GE Healthcare Australia Pty Limited and Metro South Hospital and Health Service ($318,333 within one year and $362,500 later than 1 year but not later than 5 years).

## Note 20. Commitments

| | 2019<br>$ | 2018<br>$ |
|---|---|---|
| *CRCP grant cash contribution commitments* | | |
| Committed at the reporting date but not recognised as liabilities, payable: | | |
| Within one year | 1,569,174 | 345,800 |
| Later than 1 year but not later than 5 years | - | 1,569,174 |
| | 1,569,174 | 1,914,974 |

## Note 21. Related party transactions

*Key management personnel*
Disclosures relating to key management personnel are set out in note 17 and the remuneration report included in the directors' report.

*Transactions with related parties*
There were no transactions with related parties during the year.

*Receivable from and payable to related parties*
At the current reporting period $1,418 was payable to Polaris Consulting (WA) Pty Ltd (related to non-executive director Geoff Pocock) for travel and accommodation costs incurred for the company board meeting.

There were no receivables from related parties at the current reporting date.

There were no amounts payable or receivable from related parties at the previous reporting date.

*Loans to/from related parties*
There were no loans to or from related parties at the current and previous reporting date.

## Note 22. Events after the reporting period

On 1 July 2019, the company issued 400,000 unlisted options with an exercise price of $0.57 and expiry date of 1 July 2022 to eligible participants of the company's Employee Securities Incentive Plan.

No other matter or circumstance has arisen since 30 June 2019 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

## Note 23. Reconciliation of profit after income tax to net cash from operating activities

| | **2019**<br>**$** | **2018**<br>**$** |
|---|---|---|
| Loss after income tax expense for the year | (2,959,362) | (845,040) |
| Adjustments for: | | |
| Share based payments | 716,769 | - |
| Change in operating assets and liabilities: | | |
| - trade and other receivables | - | (116,625) |
| - other current assets | (97,113) | - |
| - trade and other payables | 84,139 | 282,074 |
| - employee benefits | 40,306 | - |
| Net cash used in operating activities | (2,215,261) | (679,591) |

## Note 24. Earnings per share

| | 2019 $ | 2018 $ |
|---|---|---|
| Loss after income tax | (2,959,362) | (845,040) |
| Loss after income tax attributable to the owners of EMVision Medical Devices Ltd | (2,959,362) | (845,040) |
| | **Number** | **Number** |
| Weighted average number of ordinary shares used in calculating basic earnings per share | 46,959,229 | 20,627,063 |
| | **Cents** | **Cents** |
| Basic earnings per share | (6.3) | (4.1) |
| Diluted earnings per share | (6.3) | (4.1) |

**EMVision Medical Devices Ltd**
**Directors' declaration**
**30 June 2019**

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;

- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 1 to the financial statements;

- the attached financial statements and notes give a true and fair view of the company's financial position as at 30 June 2019 and of its performance for the financial year ended on that date;

- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable; and

The directors have been given the declarations required by section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors

John Keep
Director

30 August 2019
Brisbane

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Sydney NSW 2000
Australia

**INDEPENDENT AUDITOR'S REPORT**

To the members of EMVision Medical Devices Ltd

## Report on the Audit of the Financial Report

### Opinion

We have audited the financial report of EMVision Medical Devices Ltd (the Company), which comprises the statement of financial position as at 30 June 2019, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies, and the directors' declaration.

In our opinion the accompanying financial report of EMVision Medical Devices Ltd, is in accordance with the *Corporations Act 2001*, including:

(i) Giving a true and fair view of the Company's financial position as at 30 June 2019 and of its financial performance for the year ended on that date; and

(ii) Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

### Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report. We are independent of the Company in accordance with 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* (the Code) that are relevant to our audit of the 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 in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

**Shared-based payments**

| *Key audit matter* | *How the matter was addressed in our audit* |
|---|---|
| During the year ended 30 June 2019, the Company entered into several share based payments transactions.<br><br>The calculation of share-based payments is complex and includes assumptions utilised in the fair value calculations and judgements regarding the equity instruments issued during the year. There is a risk that amounts are incorrectly recognised and/or inappropriately disclosed in the financial statements and consequently it was considered a key audit matter.<br><br>Refer to note 1 and note 12 of the financial report for a description of the accounting policy and significant estimates and judgements applied to these transactions. | To address this matter, our audit procedures included, amongst others:<br><br>• Reviewing the terms and conditions of the various share based payment agreements;<br><br>• Evaluating management's assessment of the likelihood of meeting the vesting conditions attached to each of the agreements;<br><br>• Testing management's methodology for calculating the fair value of the shares or options including assessing the valuation inputs using internal specialists where required; and<br><br>• Evaluating the adequacy of the disclosures in respect of the accounting treatment of share-based payments in the financial statements, including the judgements involved, and the accounting policy adopted. |

**Other information**

The directors are responsible for the other information. The other information comprises the information in the Company's annual report for the year ended 30 June 2019, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Responsibilities of the directors for the Financial Report**

The directors of the Company are responsible for the preparation of the 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 financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

**Auditor's responsibilities for the audit of the Financial Report**

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (http://www.auasb.gov.au/Home.aspx) at:

http://www.auasb.gov.au/auditors_responsibilities/ar2.pdf

This description forms part of our auditor's report.

## Report on the Remuneration Report

**Opinion on the Remuneration Report**

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2019.

In our opinion, the Remuneration Report of EMVision Medical Devices Ltd, for the year ended 30 June 2019, complies with section 300A of the *Corporations Act 2001*.

**Responsibilities**

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

**BDO East Coast Partnership**

BDO

Arthur Milner
Partner

Sydney, 30 August 2019

**EMVision Medical Devices Ltd**
**Shareholder Information**

## ASX Additional Information

The Company's ordinary shares are quoted as 'EMV' on ASX. The shareholder information set out below was applicable as at 29 August 2019

**Distribution of equitable securities (ordinary shares)**
Analysis of number of equitable security holders by size of holding:

| | Number of ordinary shares | Number of holders of ordinary shares |
|---|---|---|
| 100,001 and over | 46,593,230 | 92 |
| 10,001 to 100,000 | 9,524,988 | 267 |
| 5,001 to 10,000 | 1,028,906 | 128 |
| 1,001 to 5,000 | 435,421 | 158 |
| 1 to 1,000 | 1,250 | 9 |
| | 57,578,750 | 654 |
| Holding less than a marketable parcel | - | - |

**Equity security holders (ordinary shares)**
Twenty largest quoted equity security holders
The names of the twenty largest security holders of this class of quoted equity securities are listed below:

| | Ordinary shares | |
|---|---|---|
| | Number held | % of total shares issued |
| UNIQUEST PTY LTD | 6,000,000 | 10.42 |
| MR SCOTT PHILIP KIRKLAND | 3,333,400 | 5.79 |
| RYAN MICHAEL LAWS | 3,212,500 | 5.58 |
| WALSH PRESTIGE PTY LTD <WALSH FAMILY A/C> | 1,650,000 | 2.87 |
| GLENSBURG PTY LTD <TYTO CORPORATION PENSION FUND A/C> | 1,100,000 | 1.91 |
| KONG PAK LIM | 1,085,000 | 1.88 |
| MR BRYANT JAMES MCLARTY <THE MCLARTY FAMILY A/C> | 1,009,688 | 1.75 |
| HILLRIDGE PTY LIMITED <THE A WAKIL FAMILY A/C> | 1,000,000 | 1.74 |
| RONALD WEINBERGER | 1,000,000 | 1.74 |
| STUART CROZIER | 1,000,000 | 1.74 |
| CVC LIMITED | 1,000,000 | 1.74 |
| MR MARTIN KOLEV | 900,000 | 1.56 |
| BELLCOO INVESTMENTS PTY LTD <THE NORTHLAKE S/F A/C> | 800,000 | 1.39 |
| MR PAUL RAYMOND BROWN & MRS ANGELIQUE SUSAN BROWN <BROWN FAMILY A/C> | 750,250 | 1.30 |
| MR PAUL JOSEPH COZZI | 712,500 | 1.24 |
| FORZA MANAGEMENT PTY LTD <THE FORZA FUTURE A/C> | 672,500 | 1.17 |
| ROSS D SMITH INVESTMENTS PTY LTD <ROSS D SMITH A/C> | 666,501 | 1.16 |
| MACEQUEST PTY LIMITED <POWER INVESTMENT 2 A/C> | 640,000 | 1.11 |
| SHAH NOMINEES PTY LTD <LOUIS CARSTEN S/F A/C> | 625,000 | 1.09 |
| JOHN KEEP & SONS PTY LTD | 607,500 | 1.06 |
| EDALE CAPITAL PTY LTD <KENMORE> | 600,000 | 1.04 |
| REMOND HOLDINGS PTY LTD <DEFINA TRUST> | 600,000 | 1.04 |
| MR CHRISTOPHER NICHOLAS POPOFF | 600,000 | 1.04 |
| PETER ANTHONY | 564,000 | 0.98 |
| MRS CAROL-ANNE KIRKLAND | 539,350 | 0.94 |
| | 30,668,189 | 53.26 |

*Unquoted equity securities*

| | Number on issue | Number of holders |
|---|---|---|
| Options over ordinary shares | 7,900,000 | 15 |
| Performance shares | 6,000,000 | 1 |

**Restricted securities**
Securities subject to ASX imposed restrictions on trading are set out below:

| | Number restricted | Restricted until |
|---|---|---|
| Ordinary shares | 16,789,351 | 13 Dec 2020 |
| Ordinary shares (voluntary restriction) | 1,300,000 | 13 Jun 2020 |
| Options over ordinary shares | 5,000,000 | 13 Dec 2020 |
| Options over ordinary shares (voluntary restriction) | 1,400,000 | 13 Dec 2020 |
| Performance rights | 6,000,000 | 13 Dec 2020 |

**Substantial holders**
Substantial holders in the company are set out below:

| | Ordinary shares | |
|---|---|---|
| | Number held[1] | % of total shares issued |
| Uniquest Pty Ltd | 6,000,000 | 10.42% |
| Mr Scott Philip Kirkland | 3,748,400 | 6.5% |
| Ryan Michael Laws | 3,312,500 | 5.8% |

[1] Number of shares held as per last substantial shareholder notice lodged on the ASX by the shareholder.

**Voting rights**
The voting rights attached to ordinary shares are set out below:

*Ordinary shares*
On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

There are no other classes of equity securities.

**On-market Buy-back**
There is no current on-market buy-back of the Company’s securities in place.