



EMVision Medical Devices Ltd  
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## ASX Release

# APPENDIX 4C – 30 SEPTEMBER 2019 QUARTERLY CASHFLOW REPORT

### Highlights:

- *A significant milestone achieved with the first clinical Brain Scanner fabricated and Clinical Trial to commence soon.*
- *EMVision joins NVIDIA Inception Program*
- *FDA communications commenced via a pre-submission process*
- *The strategic collaboration between EMVision and Keysight continues to strengthen*
- *\$3.1 million of cash reserves as at 30 September 2019*

**EMVision Medical Devices Limited (ASX: EMV)** (“EMVision” or the “Company”) is pleased to lodge the attached Appendix 4C Quarterly Cashflow Report for the 3 month period ended 30 September 2019.

In partnership with The University of Queensland (UQ), EMVision is developing and commercialising medical imaging diagnostics for various disease states and medical emergencies. The Company's primary focus is a portable, cost effective, non-invasive brain scanner to monitor and help with the diagnosis of brain injuries and stroke by creating rapid 3D images of the brain. In addition, the Company is also at a pre-clinical research and development stage for an adjacent non-invasive torso scanner targeting detection and monitoring of non-alcoholic fatty liver disease (NAFLD) and non-alcoholic steatohepatitis (NASH). The torso scanner would utilise the same core technology being developed for brain imaging, with custom algorithms and hardware.

Key activities undertaken during the quarter are outlined below:

### **A significant milestone achieved with Brain Scanner fabricated, Clinical Trial to commence soon.**

The fabrication and assembly of our first clinical unit is complete. The device is undergoing internal calibration, verification and electromagnetic compatibility testing in preparation for delivery to Brisbane's Princess Alexandra Hospital in November for clinician / nursing staff training and trial commencement. There is strong clinical and hospital engagement in anticipation of the device delivery.

A further two units will be completed and undergo internal calibration and verification in the next four weeks. A total of three completed devices means the clinical trial will be well supported and ongoing commercial unit development can continue in parallel to the clinical trial.

### **EMVision Joins NVIDIA Inception Program**

The Company has joined the NVIDIA Inception Program. NVIDIA Corporation (NASDAQ: NVDA) has developed graphics processing unit (GPU) parallel processing engines that enable advances in efficiency and performance for image processing applications and deep learning inferencing. NVIDIA's Inception program is a virtual accelerator program that helps companies during critical stages of product development, prototyping and deployment. Through participation in the Inception Program, EMVision will gain access to resources and expertise to accelerate its AI-based functions for enhanced image reconstruction. Other

program benefits which may be available to the Company range from hardware grants and go-to-market support through to co-marketing support via NVIDIA's marketing channels.

### **FDA Communications and Regulatory Strategy update**

The Company has commenced communication with the U.S. Food and Drug Administration (FDA) via the pre-submission process. A pre-submission provides the opportunity for a submitter to obtain FDA feedback prior to an intended premarket submission. The FDA's feedback may improve the quality of subsequent submissions, shorten total review times, and facilitate the development process for new devices. The early engagement by the Company with the FDA is a valuable mechanism to minimise regulatory pathway risk. Engagement from the FDA has been positive and the submission has been assigned to the Panel for Neurological Devices.

### **Keysight Technologies collaboration continues to strengthen**

The strategic collaboration between EMVision and Keysight continues to strengthen, with valuable input from Keysight for EMVision's clinical trial program and from EMVision to Keysight for the healthcare personalized Vector Network Analyzer (VNA). The Keysight team has advanced their earlier prototype and is making good progress in hardware development for the healthcare specific product. Further, Keysight's senior engineering personnel will be providing on-ground support in the lead up to our clinical trials and key senior leadership plan to visit the Princess Alexandra Hospital in Brisbane during the clinical trial.

### **Cashflow commentary and grant funding**

The Company had net cash outflows for the quarter of \$1,261k and cash reserves of \$3,087k as at 30 September 2019. Total payments of \$1,492k for research and development activities, staff costs (including research and development staff) and corporate administration were partly offset by the receipt of \$230k in Cooperative Research Centre project (CRC-P) grant funding and participant contributions.

EMvision was awarded a \$2.6 million CRC-P grant from the Government of the Commonwealth of Australia in late 2017, and, through the grant process, has established key academic, clinical and industry relationships that will assist in the advancement and commercialisation of the Company's brain scanner program. The grant participant partners include GE Healthcare, a US\$19 billion healthcare business of GE (NYSE:GE), The University of Queensland which is one of the world's top 10 universities for biotechnology, and The Queensland Government Metro South Hospital & Health Service operating at the Princess Alexandra Hospital, one of Australia's leading academic and research centres. These partners have also committed to provide a further \$910k in grant funds to EMvision. To 30 September 2019, the Company has received \$1,537k from the government and \$275k from grant participant partners.

EMvision is currently finalising its R&D tax incentive claim for the financial year ending 30 June 2019 which is expected to be lodged in the current quarter. The Australian Federal Government's R&D Tax Incentive program provides a cash refund on eligible research and development activities performed by Australian companies.

**[ENDS]**

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## **Forward Looking Statements**

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

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

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

## **ABOUT EMVISION**

EMVision Medical Devices Limited is focused on the development and commercialisation of medical imaging technology. The Company is developing and seeking to commercialise a potentially cost effective, portable, medical imaging device using electromagnetic microwave imaging for diagnosis and monitoring of stroke and other medical applications. The technology is the result of over 10 years of development by researchers at the University of Queensland. The team of over 30 researchers is led by co-inventors Professor Amin Abbosh, who is considered a global leader in electromagnetic microwave imaging, along with Professor Stuart Crozier, who created technology central to most MRI machines manufactured since 1997. EMVision’s CEO, Dr Ron Weinberger, is the Former Executive Director and CEO of Nanosonics’ (ASX:NAN), a \$1.5 billion market cap healthcare company. Dr Weinberger has over 25-years’ experience developing and commercialising medical devices. During his time at Nanosonics, Dr Weinberger co-developed the company’s platform technology and launched their breakthrough product ‘Tropon’ globally, which would go on to become the gold standard for infection prevention. Dr Weinberger was instrumental in transforming Nanosonics from a research and development company to one of Australia’s leading medical device commercialisation success stories.

## Appendix 4C

### Quarterly report for entities subject to Listing Rule 4.7B

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

**Name of entity**

EMVISION MEDICAL DEVICES LTD

**ABN**

38 620 388 230

**Quarter ended ("current quarter")**

30 September 2019

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (3 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers		
- CRC-P participant contributions	46	46
1.2 Payments for		
(a) research and development	(964)	(964)
(b) product manufacturing and operating costs		
(c) advertising and marketing		
(d) leased assets		
(e) staff costs including research and development staff	(308)	(308)
(f) administration and corporate costs	(181)	(181)
1.3 Dividends received (see note 3)		
1.4 Interest received	1	1
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Government grants and tax incentives		
- CRC-P grant income	184	184
- R&D Tax Incentive rebate		
1.8 Other (provide details if material)		
- Net GST received / (paid)	(39)	(39)
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(1,261)</b>	<b>(1,261)</b>

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

<b>3. Cash flows from financing activities</b>		
3.1 Proceeds from issues of shares		
3.2 Proceeds from issue of convertible notes		
3.3 Proceeds/(refund) from exercise of share options		
3.4 Transaction costs related to issues of shares, convertible notes or options		
3.5 Proceeds from borrowings		
3.6 Repayment of borrowings		
3.7 Transaction costs related to loans and borrowings		
3.8 Dividends paid		
3.9 Other (provide details if material)		
<b>3.10 Net cash from / (used in) financing activities</b>	<b>0</b>	<b>0</b>

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (3 months) \$A'000</b>
<b>4. Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1 Cash and cash equivalents at beginning of quarter/year to date	<b>4,348</b>	<b>4,348</b>
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(1,261)	(1,261)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	0	0
4.4 Net cash from / (used in) financing activities (item 3.10 above)	0	0
4.5 Effect of movement in exchange rates on cash held	0	0
<b>4.6 Cash and cash equivalents at end of quarter</b>	<b>3,087</b>	<b>3,087</b>

<b>5. Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1 Bank balances	<b>2,087</b>	<b>4,348</b>
5.2 Call deposits		
5.3 Bank overdrafts		
5.4 Other – term deposit	1,000	
<b>5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>3,087</b>	<b>4,348</b>

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

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

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

<b>9. Estimated cash outflows for next quarter</b>	<b>\$A'000</b>
9.1 Research and development	(682)
9.2 Product manufacturing and operating costs	0
9.3 Advertising and marketing	0
9.4 Leased assets	0
9.5 Staff costs	(357)
9.6 Administration and corporate costs	(230)
9.7 Other (provide details if material)	
- Net GST	30
<b>9.8 Total estimated cash outflows*</b>	<b>(1,239)</b>

\*Note: excludes cash inflows from CRC-P grant and participant contributions estimated to be +\$282k for the next quarter and any R&D tax rebates for the year ended 30 June 2019.

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

### Compliance statement

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

Sign here:  .....  
(Company secretary)

Date: ..31 October 2019.....

Print name: .....Emma Waldon.....

### Notes

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