



EMVision Medical Devices Ltd
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ASX Release

APPENDIX 4C – 31 MARCH 2020 QUARTERLY CASHFLOW REPORT

Highlights:

- *Promising first stroke patient images obtained from clinical trial.*
- *Successfully enrolled half of target patient cohort (30) in clinical trial and gathered considerable valuable patient data.*
- *Key product and clinical collaborations progressing positively*
- *\$6.06 million of cash reserves as at 31 March 2020.*

EMVision Medical Devices Limited (ASX: EMV) (“EMVision” or the “Company”) is pleased to lodge the attached Appendix 4C Quarterly Cashflow Report for the 9-month period ended 31 March 2020.

In partnership with The University of Queensland (UQ), EMVision is developing and commercialising medical imaging diagnostics for various disease states and medical emergencies. The Company’s primary focus is a portable, cost effective, non-invasive brain scanner to monitor and help with the diagnosis of brain injuries and stroke by creating rapid images of the brain.

Key activities undertaken during the quarter are outlined below:

Clinical Trial Progressed, Successfully Enrolled Half of the Target Patient Cohort

After two months of our six-month clinical trial, the Company successfully enrolled half of its target patient cohort (30) and gathered considerable valuable patient data. As advised in an ASX announcement on 2 April 2020, following discussions with our lead investigators, the Company has temporarily paused additional patient enrolment as a precaution in anticipation of increasing demands on hospital staffing arising from the evolving COVID-19 response.

The ample datapoints already acquired from patients place the Company in a strong position to advance its imaging algorithms and continue the commercial product development process in the interim prior to recommencing patient enrolment.

The primary endpoint of EMVision’s pilot clinical trial is to generate electromagnetic scattering datasets from stroke patients which improve the understanding of stroke. The Company will use this data to refine and select the optimal imaging algorithms as well as generating early data on correlation with CT and/or MRI images.

The device has been well accepted by patients and staff at the Princess Alexandra Hospital in Brisbane where the trial is taking place. Potential improvements to workflow and patient interaction are being recorded and this is being communicated to our product and technology teams for further development and to inform our next generation technology and device. Stability of the device and technology has been good allowing for reproducibility of data acquisition between patients.

In parallel, our clinical research organisation Mobius Medical Pty Ltd is collating patient data and information for statistical analysis to give further granularity to the background of the scanned patients and responses to our device. This includes obtaining usability data from both the scan operator and, where possible, the participant on: portability and appropriateness of the EMVision scan unit in the hospital setting, ease and comfort of headset fit as well as participant feedback of comfort, time and acceptability of the scanning procedure

Promising First Stroke Patient Images

Subsequent to the end of the quarter, the Company was pleased to advise of promising first stroke patient images from the clinical trial.

The imaging algorithm team, who received blinded data, has processed, with clinical assessment of ground truths, our first set of two similar ischemic patient datasets, with very encouraging progress. These initial datasets have been reviewed extensively by EMV clinical advisors, including neurology and radiology experts. The EMV functional imaging scans demonstrated a strong correlation with the ground truth scans for these patients (MRI and CT). This correlation includes the detection and localization of abnormal brain tissue. This is the first set of fully analysed data with complete clinical assessment. Both patient cases involve a reasonably small infarct (visible on the MRI FLAIR images) and a larger area of abnormal perfusion (penumbra). For both cases, the EMVision technique produces accurate localisation of abnormal brain tissue which is clearly distinguished from the surrounding brain tissue. This is typically more difficult on plain CT scans.

These results reflect an initial two datasets of the patients enrolled to date. The final results of the clinical study, when completed, will undergo a detailed review by the Company's clinical advisors. In the interim, the algorithm team is processing further patient datasets including different stroke sizes, subtypes and locations. The algorithm team will also refine and validate different "fusion" combinations of algorithms to deliver the ideal clinical output. The Company expects to provide updates to the market as it reaches further relevant milestones throughout the clinical testing.

Keysight Technologies (NYSE:KEYS) Collaboration

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

The relationship with Keysight continues to progress well with significant advances in their next generation VNA with a smaller footprint, lower power consumption and lower component count. Keysight's initial (alpha) units of the compact and customised healthcare VNAs for Microwave Sensing and Imaging (MSI) applications, are anticipated to be delivered to EMVision for testing in Q4 CY 2020.

Advance QLD Fellowship Wins

During the quarter, in a collaboration with the University of Queensland (UQ) and Metro South Hospital & Health Service, two key members of the UQ electromagnetic imaging algorithm team won prestigious Advance QLD Industry Research Fellowships. These are key team members have been involved in the development of EMVision's foundation intellectual property. These fellowships include a total of \$360,000, over 3 years, in Advance QLD funding towards their respective roles in EMVision's brain scanner development program. The fellows will be physically co-located between UQ (applicant), EMVision (partner) and Metro South Health (partner). These Fellows will add capacity and allow accelerated approaches to image reconstruction. The Company continues to pursue additional non-dilutive state and federal grant funding opportunities.

Australian Stroke Alliance

The Australian Stroke Alliance (ASA), of which EMVision is a key commercial collaborator, has a vision for developing a suite of world-first disruptive technologies that will radically transform access to early pre-hospital stroke treatment, particularly for regional and rural Australia and dramatically improve stroke outcomes for all Australians.

The ASA and the Company are continuing to prepare for the Medical Research Future Fund (MRFF) Stage 2 submission, which if successful, is expected to provide substantial grant funds for the conduct of the ASA program and EMVision's associated first responder product development and clinical validation requirements. In preparation for the Stage 2 submission, workshops are being held to plan out the first responder product development roadmap and associated budgeting, clinical validation planning for in-human studies for first responder road and air platforms as well as patient benefit and economic benefit modelling.

Cashflow commentary, cash reserves of \$6.06 million as at 31 March 2020

The Company had net cash outflows for the quarter of \$0.798 million and cash reserves of \$6.065 million as at 31 March 2020. Total payments of \$1.080 million for research and development activities, staff costs (including research and development staff) and corporate administration were partly offset by the receipt of \$0.237 million in Cooperative Research Centre project (CRC-P) grant funding and participant contributions.

EMVision was awarded a \$2.6 million CRC-P grant from the Government of the Commonwealth of Australia in late 2017, and, through the grant process, has established key academic, clinical and industry relationships that will assist in the advancement and commercialisation of the Company's brain scanner program. The grant participant partners include GE Healthcare, a US\$19 billion healthcare business of GE (NYSE:GE), The University of Queensland which is one of the world's top 10 universities for biotechnology, and The Queensland Government Metro South Hospital & Health Service operating at the Princess Alexandra Hospital, one of Australia's leading academic and research centres. These partners have also committed to provide a further \$0.910 million in grant funds to EMVision. To 31 March 2020, the Company has received \$1.918 million from the government and \$0.367 million from grant participant partners.

Authorised for release by the Board of the Company.

[ENDS]

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Forward Looking Statements

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

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

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

ABOUT EMVISION

EMVision Medical Devices Limited is focused on the development and commercialisation of medical imaging technology. The Company is developing and seeking to commercialise a potentially cost effective, portable, medical imaging device using electromagnetic microwave imaging for diagnosis and monitoring of stroke and other medical applications. The technology is the result of over 10 years of development by researchers at the University of Queensland. The team of approximately 30 researchers is led by co-inventors Professor Amin Abbosh, who is considered a global leader in electromagnetic microwave imaging, along with Professor Stuart Crozier, who created technology central to most MRI machines manufactured since 1997. EMVision’s CEO, Dr Ron Weinberger, is the Former Executive Director and CEO of Nanosonics’ (ASX:NAN), a \$1.9 billion market cap healthcare company. Dr Weinberger has over 25-years’ experience developing and commercialising medical devices. During his time at Nanosonics, Dr Weinberger co-developed the company’s platform technology and launched their breakthrough product ‘Trophon’ globally, which would go on to become the gold standard for infection prevention. Dr Weinberger was instrumental in transforming Nanosonics from a research and development company to one of Australia’s leading medical device commercialisation success stories.

Appendix 4C

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

Name of entity

EMVISION MEDICAL DEVICES LTD

ABN

38 620 388 230

Quarter ended ("current quarter")

31 MARCH 2020

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers		
- CRC-P participant contributions	46	138
1.2 Payments for		
(a) research and development	(651)	(2,394)
(b) product manufacturing and operating costs		
(c) advertising and marketing		
(d) leased assets		
(e) staff costs including research and development staff	(298)	(938)
(f) administration and corporate costs	(131)	(574)
1.3 Dividends received (see note 3)		
1.4 Interest received	11	15
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Government grants and tax incentives		
- R&D Tax Incentive rebate		658
- CRC-P grant income	191	566
1.8 Other (provide details if material)	34	(2)
- Net GST received / (paid)		
1.9 Net cash from / (used in) operating activities	(798)	(2,531)
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) entities		
(b) businesses		

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
(c) property, plant and equipment		
(d) investments		
(e) intellectual property		
(f) other non-current assets		
2.2 Proceeds from disposal of:		
(a) entities		
(b) businesses		
(c) property, plant and equipment		
(d) investments		
(e) intellectual property		
(f) other non-current assets		
2.3 Cash flows from loans to other entities		
2.4 Dividends received (see note 3)		
2.5 Other (provide details if material)		
2.6 Net cash from / (used in) investing activities	0	0

3. Cash flows from financing activities		
3.1 Proceeds from issues of shares		4,500
3.2 Proceeds from issue of convertible debt securities		
3.3 Proceeds from exercise of options		
3.4 Transaction costs related to issues of equity securities or convertible debt securities		(252)
3.5 Proceeds from borrowings		
3.6 Repayment of borrowings		
3.7 Transaction costs related to loans and borrowings		
3.8 Dividends paid		
3.9 Other (provide details if material)		
3.10 Net cash from / (used in) financing activities	0	4,248

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	6,863	4,348
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(798)	(2,531)
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	4,248
4.5	Effect of movement in exchange rates on cash held	0	0
4.6	Cash and cash equivalents at end of period	6,065	6,065

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	3,065	2,863
5.2	Call deposits		
5.3	Bank overdrafts		
5.4	Other – term deposit	3,000	4,000
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	6,065	6,863

6. Payments to related parties of the entity and their associates

- 6.1 Aggregate amount of payments to related parties and their associates included in item 1
- 6.2 Aggregate amount of payments to related parties and their associates included in item 2

Current quarter \$A'000
105
0

- Salary, Director fees and superannuation paid to Directors (\$105k)

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

7. Financing facilities

Note: the term "facility" includes all forms of financing arrangements available to the entity.

Add notes as necessary for an understanding of the sources of finance available to the entity.

	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1 Loan facilities	0	0
7.2 Credit standby arrangements	0	0
7.3 Other (please specify)	0	0
7.4 Total financing facilities	0	0

7.5 **Unused financing facilities available at quarter end** 0

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

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (Item 1.9)	(798)
8.2 Cash and cash equivalents at quarter end (Item 4.6)	6,065
8.3 Unused finance facilities available at quarter end (Item 7.5)	0
8.4 Total available funding (Item 8.2 + Item 8.3)	6,065
8.5 Estimated quarters of funding available (Item 8.4 divided by Item 8.1)	7.6

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

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

Answer: N/A

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

Answer: N/A

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

Answer: N/A

Compliance statement

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

Date: 30 April 2020.....

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

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.