



**ASX Announcement  
31 January 2018**

## **Imagion Biosystems December 2017 Quarterly Update**

**MELBOURNE — 31 January 2018** — Imagion Biosystems Limited (**Imagion** or the **Company**), (ASX: IBX), a company dedicated to developing new medical imaging technology for the earlier and improved detection of cancer and other diseases, is pleased to provide an update following the end of the December 2017 Quarter.

During the Quarter, the Company has continued to progress on schedule toward the first in-human clinical studies of its proprietary MagSense™ technology, expected in the second half of this year. The MagSense™ detection technology uses tiny bio-safe nanoparticles to 'tag' cancer, and highly sensitive magnetic sensors to locate and characterize tumours at their earliest stages.

In October, Imagion announced a Master Service Agreement with ChemConnection BV, a Dutch contract manufacturing organisation (**CMO**), to produce and supply the clinical grade nanoparticle formulations for the Company's planned HER2 breast cancer human clinical studies.

ChemConnection is a highly qualified development and manufacturing organisation based in Oss, the Netherlands, with extensive experience in producing nanoparticle-based products and medicines. The CMO will establish manufacturing procedures for the MagSense™ HER2 breast cancer test formulation that will meet the globally recognised standard of Current Good Manufacturing Practices (cGMP), a regulatory requirement for human testing.

Method transfer of the proprietary nanoparticle formulation commenced in October. ChemConnection will be responsible for producing an initial batch of nanoparticles which will be used for the stability and toxicity studies that are needed before first-in-human testing can begin. The pre-clinical safety studies are expected to commence in the June 2018 Quarter.

In December Imagion representatives met with the clinical researcher teams expected to participate in the first-in-human clinical study to begin discussion and planning, and filed a pre-submission with the US Food and Drug Administration (**FDA**) in January. The Company expects a face-to-face meeting with members of the FDA late in the March 2018 Quarter before finalizing the clinical study protocol with the study sites.

**-Ends**

### **About Imagion Biosystems**

Imagion Biosystems is at the crossroads of biotechnology and nanotechnology. Its novel bioimaging and nanomagnetic detection systems have been developed specifically to detect cancer and other diseases earlier and with higher specificity than is currently possible. With MagSense™ technology, the company has the potential to optimise patient care and reduce mortality rates across various cancer indications. Based in Albuquerque, New Mexico, Imagion Biosystems listed on the Australian Securities Exchange (ASX) in June 2017.



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## 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**

Imagion Biosystems Limited

**ABN**

42 616 305 027

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

31 December 2017

| <b>Consolidated statement of cash flows</b>               | <b>Current quarter<br/>\$A'000</b> | <b>Year to date<br/>(12 months)<br/>\$A'000</b> |
|---|------------------------------------|---|
| <b>1. Cash flows from operating activities</b>            |                                    |   |
| 1.1 Receipts from customers                               | 6                                  | 13  |
| 1.2 Payments for  |                                    |   |
| (a) research and development                              | (1,571)                            | (2,541)   |
| (b) product manufacturing and operating costs             | -                                  | -   |
| (c) advertising and marketing                             | (30)                               | (144)   |
| (d) leased assets   | -                                  | -   |
| (e) staff costs   | (592)                              | (2,337)   |
| (f) administration and corporate costs                    | (166)                              | (2,111)   |
| 1.3 Dividends received (see note 3)                       | -                                  | -   |
| 1.4 Interest received                                     | 40                                 | 51  |
| 1.5 Interest and other costs of finance paid              | (1)                                | (133)   |
| 1.6 Income taxes paid                                     | -                                  | -   |
| 1.7 Government grants and tax incentives                  | -                                  | 108   |
| 1.8 Other (provide details if material)                   | 84                                 | 88  |
| <b>1.9 Net cash from / (used in) operating activities</b> | <b>(2,230)</b>                     | <b>(7,006)</b>                                  |

|  |       |       |
|--|-------|-------|
| <b>2. Cash flows from investing activities</b> |       |       |
| 2.1 Payments to acquire:                       |       |       |
| (a) property, plant and equipment              | (150) | (261) |
| (b) businesses (see item 10)                   | -     | -     |
| (c) investments                                | -     | -     |

| Consolidated statement of cash flows |   | Current quarter<br>\$A'000 | Year to date<br>(12 months)<br>\$A'000 |
|--------------------------------------|---|----------------------------|--|
|                                      | (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</b>                           | <b>Net cash from / (used in) investing activities</b> | <b>(150)</b>               | <b>(261)</b>                           |

|             |   |             |               |
|-------------|---|-------------|---------------|
| <b>3.</b>   | <b>Cash flows from financing activities</b>                                 |             |               |
| 3.1         | Proceeds from issues of shares  | -           | 18,208        |
| 3.2         | Proceeds from issue of convertible notes                                    | -           | -             |
| 3.3         | Proceeds from exercise of share options                                     | -           | -             |
| 3.4         | Transaction costs related to issues of shares, convertible notes or options | -           | (1,113)       |
| 3.5         | Proceeds from borrowings  | -           | 85            |
| 3.6         | Repayment of borrowings   | (38)        | (3,156)       |
| 3.7         | Transaction costs related to loans and borrowings                           | -           | -             |
| 3.8         | Dividends paid  | -           | -             |
| 3.9         | Other (provide details if material)   | -           | -             |
| <b>3.10</b> | <b>Net cash from / (used in) financing activities</b>                       | <b>(38)</b> | <b>14,024</b> |

|           |  |         |         |
|-----------|--|---------|---------|
| <b>4.</b> | <b>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               | 9,297   | 28      |
| 4.2       | Net cash from / (used in) operating activities (item 1.9 above)              | (2,230) | (7,006) |
| 4.3       | Net cash from / (used in) investing activities (item 2.6 above)              | (150)   | (261)   |
| 4.4       | Net cash from / (used in) financing activities (item 3.10 above)             | (38)    | 14,024  |

| Consolidated statement of cash flows |  | Current quarter<br>\$A'000 | Year to date<br>(12 months)<br>\$A'000 |
|--------------------------------------|--|----------------------------|--|
| 4.5                                  | Effect of movement in exchange rates on cash held  | 22                         | 116                                    |
| 4.6                                  | <b>Cash and cash equivalents at end of quarter</b> | <b>6,901</b>               | <b>6,901</b>                           |

| 5.  | Reconciliation of cash and cash equivalents<br>at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts | Current quarter<br>\$A'000 | Previous quarter<br>\$A'000 |
|-----|--|----------------------------|-----------------------------|
| 5.1 | Bank balances  | 6,901                      | 9,297                       |
| 5.2 | Call deposits  | -                          | -                           |
| 5.3 | Bank overdrafts  | -                          | -                           |
| 5.4 | Other (provide details)  | -                          | -                           |
| 5.5 | <b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>   | <b>6,901</b>               | <b>9,297</b>                |

**6. Payments to directors of the entity and their associates**

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

**Current quarter  
\$A'000**

25

-

Relates to director's remuneration and expense reimbursements for the group.

**7. Payments to related entities of the entity and their associates**

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

**Current quarter  
\$A'000**

-

-

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

| 9. <b>Estimated cash outflows for next quarter</b> | \$A'000        |
|--|----------------|
| 9.1 Research and development                       | (862)          |
| 9.2 Product manufacturing and operating costs      | -              |
| 9.3 Advertising and marketing                      | (79)           |
| 9.4 Leased assets                                  | (9)            |
| 9.5 Staff costs                                    | (506)          |
| 9.6 Administration and corporate costs             | (298)          |
| 9.7 Other (provide details if material)            | (312)          |
| <b>9.8 Total estimated cash outflows</b>           | <b>(2,066)</b> |

| 10. <b>Acquisitions and disposals of business entities<br/>(items 2.1(b) and 2.2(b) above)</b> | 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:

  
.....  
(Director)

Date: 31 January 2018

Print name: Robert Proulx

### **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.