

## IMAGION BIOSYSTEMS LIMITED

(ASX: IBX)

30 July 2019

### Appendix 4C – Q2 FY19 Quarterly Cash Flow Report

#### Highlights:

- **Company applies for and receives Breakthrough Device designation from US FDA**
- **Toxicology study for nanoparticle injectable completed on time, with no adverse events**
- **Cash balance \$1.1 million at June 30, with \$2 million funds received in ATO R&D tax rebate in July**

MELBOURNE - Imagion Biosystems Limited (ASX: IBX) (the **Company**), a company dedicated to improving healthcare through the earlier detection of cancer, has released its Appendix 4C Quarterly Cash Flow report and update on company activities for the quarter ending 30 June 2019 (Q2 FY19).

During the quarter, Imagion successfully completed its toxicology safety study for its MagSense™ nanoparticle formulation for the detection of HER2 metastatic breast cancer, on time and with no observable adverse effects reported. Toxicology studies are considered a key milestone, providing an indication of the safety profile for the product which is needed before undertaking human clinical studies. The Company's MagSense™ nanoparticles are made from bio-safe materials and require no ionizing radiation use no radioactive imaging agents for detection, a key differentiator of the functional imaging technology.

The Company's MagSense™ system and HER2 test was granted Breakthrough Device Designation by the US Food and Drug Administration (FDA) in July; the designation was granted within three weeks of making the submission to the agency. Breakthrough Device designation enables expedited dialogue and priority review by the FDA. This designation is selectively awarded to technologies with the potential to transform healthcare, and meet an unmet need or offer significant advantages over the existing approved alternatives.

"These are both critical milestones that de-risk our development program and highlight the transformative nature of our imaging technology: a non-radioactive and non-invasive method to detect the presence and progression of HER2 breast cancer, which today can only be achieved by the use of biopsy and often unnecessary removal of lymph nodes," said Bob Proulx, Executive Chairman of Imagion Biosystems.

"During the coming quarter investors can expect to see further progress as we prepare to enter the clinic, including completion of our pre-submission to the FDA to enable commencement of the study, signing up a clinical site to conduct the study and progressing the manufacturing of the nanoparticles to be used in the trial."

The company finished the quarter with cash reserves of \$1.1 million. A further \$2 million tax rebate from the Australian R&D tax rebate scheme was received subsequent to the end of the quarter, providing further non-dilutive funding to support the company as it prepares to commence its first-in-human trial.

Net operating cash outflow was \$1.7 million. Customer receipts of \$120K were received during the quarter.

During the quarter, the company also announced the retirement of Dr John Hazle, from his position as non-executive Director. Dr Hazle, who leads the Magnetic Relaxometry Research Laboratory at the MD Anderson Cancer Centre, will continue to work with Imagion as the founding Chairman of the company's Scientific Advisory Board.

**-ENDS**



### **About Imagion Biosystems**

Imagion Biosystems is developing a new non-radioactive and safe diagnostic imaging technology. Combining biotechnology and nanotechnology the Company aims to detect cancer and other diseases earlier and with higher specificity than is currently possible. Imagion Biosystems listed on the Australian Securities Exchange (ASX) in June 2017.

For further information please visit [www.imagionbiosystems.com](http://www.imagionbiosystems.com)

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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")**

30 June 2019

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (6 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	120	277
1.2 Payments for		
(a) research and development	(870)	(1,470)
(b) product manufacturing and operating costs	-	-
(c) advertising and marketing	-	(16)
(d) leased assets	-	(1)
(e) staff costs	(711)	(1,448)
(f) administration and corporate costs	(277)	(538)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	5	13
1.5 Interest and other costs of finance paid	(1)	(2)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (GST Refund)	16	62
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(1,718)</b>	<b>(3,123)</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	-	-

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
(d) intellectual property	-	-
(e) other non-current assets	-	-
<b>2.2</b> Proceeds from disposal of:		
(a) property, plant and equipment	-	-
(b) businesses (see item 10)	-	-
(c) investments	-	-
(d) intellectual property	-	-
(e) other non-current assets	-	-
<b>2.3</b> Cash flows from loans to other entities	-	-
<b>2.4</b> Dividends received (see note 3)	-	-
<b>2.5</b> Other (provide details if material)	-	-
<b>2.6</b> <b>Net cash from / (used in) investing activities</b>	<b>-</b>	<b>-</b>

<b>3.</b> <b>Cash flows from financing activities</b>		
3.1 Proceeds from issues of shares	-	-
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	-	-
3.5 Proceeds from borrowings	-	-
3.6 Repayment of borrowings	(19)	(56)
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>(19)</b>	<b>(56)</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	2,903	4,367
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(1,718)	(3,123)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4 Net cash from / (used in) financing activities (item 3.10 above)	(19)	(56)

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (6 months) \$A'000</b>
4.5	Effect of movement in exchange rates on cash held	(26)	(48)
<b>4.6</b>	<b>Cash and cash equivalents at end of quarter</b>	<b>1,140</b>	<b>1,140</b>

<b>5.</b>	<b>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	1,140	2,903
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>1,140</b>	<b>2,903</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

<b>Current quarter \$A'000</b>
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**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

<b>Current quarter \$A'000</b>
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8. <b>Financing facilities available</b> <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$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.		


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9. <b>Estimated cash outflows for next quarter</b>	\$A'000
9.1 Research and development	877
9.2 Product manufacturing and operating costs	-
9.3 Advertising and marketing	32
9.4 Leased assets	16
9.5 Staff costs	624
9.6 Administration and corporate costs	573
9.7 Other (provide details if material)	-
<b>9.8 Total estimated cash outflows</b>	<b>2,122</b>

10. <b>Acquisitions and disposals of business entities (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: .30 July 2019

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.