



IMAGION BIOSYSTEMS LIMITED

(ASX: IBX)

30 January 2020

Quarterly Cashflow Report – Period ending 31 December 2019

MELBOURNE — Imagination Biosystems Limited (ASX: IBX), a company dedicated to improving healthcare through the earlier detection of cancer, has today released its Appendix 4C Quarterly Cashflow report and update on company activities for the quarter ending 31 December 2019 (Q4 FY19).

Following the successful completion of a capital raise of \$3.3M (net of expenses) via a renounceable rights issue, the company is focused on advancing its first-in-human study of its novel MagSense™ technology, in the detection and staging of HER2 metastatic breast cancer, which is expected to commence this year.

During the quarter the company continued to make progress in key operational areas including readiness to initiate GMP manufacturing of its proprietary nanoparticles to be used in the study. Additionally, dialogue with the FDA regarding the granting of an Investigational Device Exemption (IDE), which is required to commence the study, is ongoing and in line with expectations.

The company recently announced the appointment of Dr Oliver Steinbach as Vice President of Clinical and Regulatory Affairs. Dr Steinbach brings extensive experience in the development of diagnostics and medical devices. At Philips he was part of the Clinical Research group managing clinical studies and regulatory submissions for a range of products, including molecular imaging contrast agents. His initial focus will be on ensuring clinical collaborations are in place and are ready for Imagination's first-in-human study.

Bob Proulx, Executive Chairman of Imagination, said: "We were very pleased with the outcome of the capital raise which provided funding to move towards our first clinical study. The dialogue with the FDA continues to be positive and is moving at a satisfactory pace and the timely addition of Dr Steinbach will further our efforts to be ready to enroll subjects for the study. While we work towards the approvals to commence the study, GMP manufacturing of the product to be used in the study remains our key operational activity. We expect to be able to provide further updates during the coming quarter, as we make progress towards this important milestone for our company."

Imagination's cash balance as of 31 December 2019 was \$3.4M, and net cash outflow was \$1.7M. As reported in the previous quarter, the company undertook cost cutting measures to concentrate resources on progress towards the clinical study and to extend its cash runway. Cash receipts from the sale of nanoparticles in 2019 were \$458K, compared to \$159K last year, largely attributed to increased sales to its Israeli partner, NewPhase. Net cash used in operating activities, which includes an R&D tax credit of \$2.1M for 2019 was \$4.1M compared to \$6.7M in 2018.

Imagination has continued to expand its intellectual property portfolio, also announcing during the quarter that it had been granted a patent in India for its core intellectual property related to detection, measurement and imaging using its nanoparticles which extends until 2030. This adds to Imagination's global portfolio of patents that span across the US, Australia, Japan, Russia, Canada, China and Israel.

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About Imagination Biosystems

Imagination 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. Imagination Biosystems listed on the Australian Securities Exchange (ASX) in June 2017.

Imagination Biosystems Limited

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For further information please visit www.imagionbiosystems.com

This Announcement has been approved by the Disclosure Committee of Imagination Biosystems Ltd.

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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 2019

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	101	458
1.2 Payments for		
(a) research and development	(549)	(2,648)
(b) product manufacturing and operating costs	-	-
(c) advertising and marketing	(31)	(63)
(d) leased assets	-	(1)
(e) staff costs	(584)	(2,807)
(f) administration and corporate costs	(281)	(1,189)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	2	17
1.5 Interest and other costs of finance paid	(1)	(4)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	2,062
1.8 Other (GST Refund)	25	100
1.9 Net cash from / (used in) operating activities	(1,318)	(4,075)

2. Cash flows from investing activities		
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 (12 months) \$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)	-	-
2.6 Net cash from / (used in) investing activities	-	-

3. Cash flows from financing activities		
3.1 Proceeds from issues of shares	3,347	3,347
3.2 Proceeds from issue of convertible notes	-	-
3.3 Proceeds from exercise of share options	5	5
3.4 Transaction costs related to issues of shares, convertible notes or options	(29)	(29)
3.5 Proceeds from borrowings	-	-
3.6 Repayment of borrowings	(36)	(119)
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	3,287	3,204

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of quarter/year to date	1,458	4,367
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(1,318)	(4,075)
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)	3,287	3,204

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	(25)	(94)
4.6	Cash and cash equivalents at end of quarter	3,402	3,402

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	3,402	1,458
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	3,402	1,458

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
143
-

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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

Current quarter \$A'000
-
-

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8. Financing facilities available <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. Estimated cash outflows for next quarter	\$A'000
9.1 Research and development	818
9.2 Product manufacturing and operating costs	-
9.3 Advertising and marketing	21
9.4 Leased assets	16
9.5 Staff costs	531
9.6 Administration and corporate costs	682
9.7 Other (provide details if material)	-
9.8 Total estimated cash outflows	2,068

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: 
(Director/Company secretary)

Date: 30 January 2020

Print name:

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.