

IMAGION BIOSYSTEMS LIMITED

(ASX: IBX)

30 January 2023

Quarterly Activity Report – quarter ending 31 December 2022

Highlights:

- **Imagion presented results from MagSense® HER2 Phase I study at global breast cancer meeting showing safety and detectability**
- **Tasks expert panel of radiologists with independent blinded review of the images from the Phase I study**
- **Received \$2.5 million R&D tax incentive**

MELBOURNE – Imagion Biosystems (ASX:IBX), a company dedicated to improving healthcare through the early detection of cancer, today released its Appendix 4C Quarterly Cashflow report and update on company activities for the quarter ending 31 December 2022 (Q4 FY2022).

“We were very pleased to present the interim clinical data at the San Antonio Breast Cancer Symposium in early December,” commented CEO Bob Proulx. “This is truly ground-breaking work and marks the first time that molecularly targeted magnetic nanoparticle technology has been shown to non-invasively detect cancer cells in human patients. Combining these results with the previously reported Safety Committee Review which found no significant issues of safety or tolerability we are confident that the study objectives are being met and that we can now begin to move ahead with the next phase of clinical investigations.” Adding, “Given that molecular imaging by magnetic resonance imaging is new and the data emerging from our study has not previously been seen by the medical community, we felt it prudent to commission a panel of experts for an independent review and confirmation of these very important real patient data. That review is now near completion, and we look forward to reporting the findings shortly.”

Summary of Activities

MagSense® HER2 breast cancer study

In early December the Company reported that it had participated in a global breast cancer meeting, presenting data for the first cohort of patients in its MagSense® HER2 Breast Cancer Phase I study. The announcement and data presented indicated that the MagSense® HER2 imaging agent is detectable by both imaging methods being evaluated in the study (conventional MRI and the Company’s proprietary magnetic relaxometry, MRX). Moreover, that the molecularly targeted nanoparticles exhibit a unique and observable molecular imaging ‘signature’ when cancer cells are present.

Additionally, during the quarter the Company formed an expert panel of breast cancer radiologists to undertake an independent blinded review of the MR images. This review aims to corroborate our findings and aid the Company in defining interpretability and utility for our molecular imaging technology. The review is in process and expected to be completed in early February 2023. The Company will provide an update upon completion of the independent review and plans to host a webinar for investors to more fully address the implications for the Company. The notice of the webinar will be included with the update.



Based on the positive data to date and the fact that the study objectives of safety and detectability are being met, the Company is now planning for the next phase of development, including studies most likely in the US. The Phase I study will remain open for enrolment to accumulate additional data that will contribute to our evaluation of the diagnostic performance and inform future study design considerations.

Summary of cash flows

Imagion's cash balance at 31 December 2022 was \$4.4 million, a decrease of \$0.9 million from the prior quarter. The Company reported an operating cash outflow of \$0.4 million in the quarter, significantly below the prior quarter's operating cash outflow due to the receipt of it's AU\$2.5 million research and development tax incentive from the Australian Taxation Office (ATO) in respect of the 2021 year. This was in line with the Company's expectations.

Excluding receipt of the research and development tax incentive other outflows increased by 4.1% compared to the prior quarter. Administration and corporate costs, and staff costs reduced slightly on the prior quarter while research and development costs increased slightly. Repayment of borrowings and interest costs reduced slightly during the quarter. These relate to the allocation of rent for our San Diego facility, in line with the lease accounting provisions of the accounting standards.

We anticipate costs to remain relatively consistent for the first-half of 2023 increasing in the second-half of 2023 as MagSense® HER2 Breast Cancer program progresses. In addition the Company will also be planning to advance its development pipeline, and therefore this may add to research and development expenditures and staff costs.

The Company also paid \$156k to related parties and their associates. These payments are related to director fees and executive director salaries.

-ENDS

About Imagion Biosystems

Imagion Biosystems is developing a new non-radioactive and precision diagnostic molecular 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

Authorisation & Additional information

This announcement was authorised by the Board of Directors of Imagion Biosystems Limited

U.S. Media Contact:

Casie Ost

Casie.ost@imagionbio.com

+1-619-693-4428

Australian Media & Investor Relations:

Hannah Howlett, WE Communications

We-AUImagionBiosystems@we-worldwide.com

+61 (0) 450648064

Appendix 4C

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

Name of entity

Imagion Biosystems Limited

ABN

42 616 305 027

Quarter ended ("current quarter")

31 December 2022

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	88	413
1.2 Payments for		
(a) research and development	(1,077)	(3,743)
(b) product manufacturing and operating costs	-	-
(c) advertising and marketing	(56)	(159)
(d) leased assets	-	-
(e) staff costs	(1,336)	(4,572)
(f) administration and corporate costs	(586)	(2,460)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	25	30
1.5 Interest and other costs of finance paid	(46)	(166)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	2,501	2,523
1.8 Other (provide details if material)	33	60
1.9 Net cash from / (used in) operating activities	(454)	(8,074)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	(2)	(508)
(d) investments	-	-
(e) intellectual property	-	-
(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
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)	-	39
2.6	Net cash from / (used in) investing activities	(2)	(469)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	3
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	(307)	(965)
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	(307)	(962)

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	5,307	13,394
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(454)	(8,074)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(2)	(469)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(307)	(962)
4.5	Effect of movement in exchange rates on cash held	(97)	557
4.6	Cash and cash equivalents at end of period	4,446	4,446

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	4,446	5,307
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)	4,446	5,307

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	156
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

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

7. Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i>		
<i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 Total financing facilities	-	-
7.5 Unused financing facilities available at quarter end		-
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)	(454)
8.2 Cash and cash equivalents at quarter end (item 4.6)	4,446
8.3 Unused finance facilities available at quarter end (item 7.5)	-
8.4 Total available funding (item 8.2 + item 8.3)	4,446
8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)	9.8
<i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>	
8.6 If item 8.5 is less than 2 quarters, please provide answers to the following questions:	
8.6.1 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	
8.6.2 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	
8.6.3 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	
<i>Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.</i>	

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.

30 January 2023

Date:

By the Board of Imagion Biosystems Limited

Authorised by:
(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.