

IMAGION BIOSYSTEMS LIMITED

ASX: IBX

31 May 2024

EXECUTIVE CHAIR ADDRESS

MELBOURNE – Imagion Biosystems (ASX:IBX), a company dedicated to improving healthcare through the early detection of cancer, hereby encloses, in accordance with ASX Listing Rule 3.13.3, the Executive Chair Address to be delivered today at the Imagion Biosystems Annual General Meeting.

— ENDS —

About Imagion Biosystems

Imagion Biosystems is an ASX-listed company dedicated to developing innovative medical imaging technologies for various cancer types. Imagion Biosystems is advancing clinical development of its MagSense® platform technology to revolutionize cancer diagnosis, introducing molecular imaging to MRI. The Company's lead program has demonstrated its innovative technology embodied in MagSense® HER2 Imaging Agent (MSH2IA) is safe and well-tolerated in patients diagnosed with HER2+ breast cancer. Imagion Biosystems' MagSense® pipeline includes prostate cancer, ovarian cancer, pancreatic cancer, and brain cancer programs.

For more information, visit <https://imaginationbiosystems.com/investor-hub/>

Authorisation & Additional information

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



Dear Shareholders,

I'd like to welcome all of you to Imagion Biosystems' Annual General Meeting of Shareholders for the financial year ending 31 December 2023.

Before attending to the formal business of the meeting, I feel it is important to make a few remarks about last year and what has transpired so far this year.

Imagion entered 2023 with optimism having reported positive results of our first Phase 1 study at the end of 2022. The scientific momentum continued early in 2023 when we received corroborating evaluations by a panel of independent radiologists indicating the potential clinical utility of our MagSense® imaging technology. By mid-year we were on track to complete the study and had begun work towards the filing for a Phase 2 study in the US. Additionally, we advanced our prostate cancer and ovarian cancer agents to the point where they too could be readied to enter the clinic.

We believed that with clinical data in hand and a robust portfolio of prospective products to support our business model, the time was right to bring in new management to continue to forge our path forward.

Unfortunately, the prolonged downturn of the Australian capital markets in 2023, and in particular the biotech sector, had a doubly negative impact on our financial health. New investments in biotech were few and far between, and despite reporting positive progress with our technology our share price eroded. The financial instrument we put in place with Mercer Street Capital was intended to be a support tool and not the vehicle by which we would finance the business and by 3rd quarter we found it necessary to begin paring back our operations and cutting costs.

We ended 2023 with good scientific and technical results but in poor financial health since the Company had not managed to secure additional financing. With the unexpected departure of the new CEO in January, I resumed managerial responsibility and immediately took drastic measures to further reduce costs and restructure the company. With the cooperation of two of our key customers we were able to generate sufficient revenue in the first four months of this year to give us some time to develop a plan for Imagion 2.0, as leaner restructured company.

What that means is that, going forward we will operate largely as a virtual entity. We have eliminated all fixed costs except those essential to remaining compliant with the Corporations Act and our ASX listing. But we cannot create shareholder value if we sit and do nothing. Although as of today the Company has limited financial resources, we have valuable intellectual property and credible scientific data, including a significant amount of work that had already been accomplished in 2023 towards the breast cancer Phase 2 study. Our job now is to monetize the assets we have and return value to our shareholders and everyone that has worked to help us achieve what we have to-date. We believe the best way do that is to resume the program and bring our lead imaging agent for breast cancer to the FDA.

Under the restructured Imagion 2.0 we will be using contractors and consultants rather than adding employees and management, matching our burn rate to the availability of funds on a pay-as-you-go



basis. And while I believe we have always been prudent and judicious in our use of cash, for example, there have never been cash incentives for management, and our Board of Directors has always been compensated at below market rates often foregoing pay when cash has been tight, including taking no compensation since the 4th quarter last year, we will take this opportunity to pare back and use performance based equity compensation to be more closely aligned with shareholders.

To fund the work we have in front of us we will need to bring in capital. Mercer Street Capital remains supportive of the company and believes in the underlying value of the technology. They have expressed a willingness to restructure the existing facility and to invest further. But, as before, it would not be prudent to rely solely on debt financing. We anticipate coming out of the trading halt in early June, and will, therefore, be looking to raise capital in the equity markets in the coming months in conjunction with restructured additional financing from Mercer.

Before concluding my remarks I'd like to remind our shareholders and interested investors to keep your eye on the prize. Our MagSense® technology is a first-of-its-kind breakthrough in medical imaging and can change the way doctors see cancer. There are tens of thousands of MRI scanners already in use throughout the world that our MagSense® imaging tests can be run on. Combined this makes a compelling business opportunity. One we think strategic partners will be interested in. As evidence of that we only have to look at the recent acquisition of Endomagnetics for \$300M made by, Hologic, a powerhouse in ultrasound and medical imaging. Endomagnetics' product was also an iron oxide nanoparticle but is not used for imaging, only to augment surgical procedures. We believe that the business plan we have always had, of investing in the technology to achieve meaningful milestones, will result in attracting strategic partnerships and meaningful shareholder value. The reimagined Imagion 2.0 aims to achieve that.

In closing I'd like to acknowledge that the start of 2024 has been difficult on our shareholders and creditors but I believe there is a path forward, and I hope to continue to have your support.

Robert Proulx

Executive Chairman

Imagion Biosystems Limited

