

IMAGION BIOSYSTEMS LIMITED

ASX: IBX

28 October 2024

Quarterly Activity Report – Quarter ending 30 September 2024

Highlights

- **IBX Receives \$3M of Commitments in Placement lead by CPS Capital**
- **New Funding Secured to Accelerate MagSense® Technology Clinical Programs**
- **Licensee for PrecisionMRX® Nanoparticle Manufacturing Secured**

MELBOURNE – Imagion Biosystems Limited (ASX : IBX), a company dedicated to improving healthcare through the early detection of cancer, today releases its Appendix 4C Quarterly Cashflow report and Activities Report for the quarter ending 30 September 2024 (**Q3 FY2024**).

Summary of Clinical/Operational Activities

Licensing Agreement

In September the Company entered into an Asset Transfer and IP Licensing Agreement with Biosensis, Ltd. (**Biosensis**), an Australian based life science manufacturer to produce and sell the Company's PrecisionMRX® nanoparticles, specifically for the biomedical research markets. Under the Agreement, Biosensis will be licensed to utilize Imagion's proprietary methods and know-how to make iron oxide nanoparticles and their derivatives and market them under Imagion's PrecisionMRX® trademarked brand. The Agreement provides for Biosensis to commercialize the nanoparticles and related services to academic and industry researchers and pay Imagion milestone fees and royalties on net sales.

"This is a win – win for Imagion at this stage of our business", said Bob Proulx, Executive Chairman. "By licensing Biosensis to service the research markets we secure a source of revenue through milestone fees and royalties while not having to incur the cost of maintaining a manufacturing operation. Additionally, we gain a trusted partner for our own needs as we continue to develop our MagSense® technology for clinical applications in cancer detection, and Imagion retains the rights to manufacture and sell in the future into all global commercial markets."

PrecisionMRX® superparamagnetic iron oxide nanoparticles were specifically developed by Imagion to meet the stringent requirements needed for biomedical applications. The Company's proprietary methods of synthesis and biofunctionalization achieve uniform attributes, such as size, shape, and magnetic properties, and are robust enough to provide batch to batch consistency and quality, which are important for biomedical research. The Asset Transfer and IP License Agreement with Biosensis will ensure the PrecisionMRX® brand remains the preferred iron oxide nanoparticle in the biomedical research market.



MagSense® Clinical Programs

With the expected successful completion of a \$3M capital raise in early December, the Company has commenced a strategic review of its MagSense® molecular imaging technology R&D programs to prioritise the use of funds in the December and March quarters. Following from the successful Phase 1 trial of the MagSense® technology for HER2+ breast cancer in 2023, this fresh round of capital will allow the company to resume the investigational new drug (IND) application and prepare for a Phase 2 clinical study, which could be begin in the second half of 2025.

Additionally, funds will be used to commence the IND process for at least one of the imaging agents in the R&D pipeline: targeting prostate and ovarian cancers.

Summary of Corporate Activities

Successful \$3m Capital Raising with CPS Capital

Subsequent to the close of the quarter on October 10th, the Company [announced](#) it had received \$3 million of firm commitments to provide new working capital through a two-tranche share placement. The fund raising was led by CPS Capital who was recently appointed lead broker of the Company as another key plank of the corporate restructuring being undertaken. The funds will provide immediate funding to accelerate its priority work programs and advancement of its plans for clinical studies of its MagSense® platform technology.

“We are extremely pleased with the outcome of this raise,” said Chairman and CEO Bob Proulx. “We had initially targeted \$2M but the response from the market was very strong, with significant interest in the share placement led by CPS Capital, demonstrating the strong market support of our vision and technology. The additional funds will allow us to accelerate the development of our pipeline and create a stronger value proposition for our MagSense® molecular imaging platform.”

Continued operational cost cutting, reducing cash burn

As previously communicated, the Company significantly reduced its operational costs in Q1 and Q2 and has maintained that reduced level through the quarter ending September 30, 2024. The Company expects to keep its G&A costs to a reduced level for the foreseeable future in favor of using contracted resources as needed.

Mercer Convertible Note Restructuring

The Company held an Extraordinary General Meeting (**EGM**) of shareholders on August 22nd wherein two new non-executive directors were appointed following from the AGM board spill and shareholders voted in favor of resolutions related to the restructuring of the Mercer Street Capital convertible financing facility. Importantly, the restructuring included extending the maturity date of the existing convertible notes and establishing a new floor conversion price better aligned with the Company’s recent share price.

Upcoming EGM

The Company intends to shortly issue a Notice of Meeting for an EGM to be held in early December in which shareholders will vote on resolutions related to tranche 2 of the capital raising and other corporate actions.



Summary of IBX Cash Position

Imagion's cash balance as at 30 September 2024 was AU\$0.386 million, substantially equivalent to the AU\$0.381 million balance from the prior quarter. The Company reported an operating cash outflow of AU\$0.493 million in the quarter. The operating outflows for the September quarter have increased from the June quarter due largely to the annual receipt of the R&D tax incentive rebate in the June quarter.

The Company paid \$23,507 to related parties and their associates during the quarter primarily as fees and reimbursable expenses for Directors. Fees for Mr. Mitchell since his appointment have been deferred to a later date pending the completion of a new financing round. Fees for Ms. Leydin have been issued but no payment was made during the quarter.

Authorisation & Additional Information

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

-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.

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

Media & Investor Relations:

Email: info@imaginationbio.com

AU: +61 3 9692 7222



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")

30 September 2024

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	1,028
1.2 Payments for		
(a) research and development	(73)	(230)
(b) product manufacturing and operating costs	-	-
(c) advertising and marketing	-	-
(d) leased assets	-	-
(e) staff costs	(146)	(1,142)
(f) administration and corporate costs	(274)	(831)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	1	4
1.5 Interest and other costs of finance paid	(1)	(4)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	492
1.8 Other (provide details if material)	-	32
1.9 Net cash from / (used in) operating activities	(493)	(651)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	-	-
(d) investments	-	-
(e) intellectual property	-	-
(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	83
	(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)	-	-
2.6	Net cash from / (used in) investing activities	-	83

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	500	720
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
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	500	720

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	381	227
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(493)	(651)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	83

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

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	500	720
4.5	Effect of movement in exchange rates on cash held	(2)	7
4.6	Cash and cash equivalents at end of period	386	386

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	386	381
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)	386	381

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	24
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.

7. Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	15,000	4,220
7.4 Total financing facilities	15,000	4,220
7.5 Unused financing facilities available at quarter end		10,780
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.	<p>The Company has an updated \$15 million convertible note facility with Mercer Street Global Opportunity Fund, LLC, as approved by shareholders at the General Meeting on 22 August 2024, with all terms and conditions of the amended Mercer funding facility set out in the Notice of Meeting dated 18 July 2024.</p> <p>The Company currently has \$10.78 million undrawn at September quarter end, which the Company currently does not intend to use following its recent \$3m capital raising with CPS Capital.</p>	

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(493)
8.2 Cash and cash equivalents at quarter end (item 4.6)	386
8.3 Unused finance facilities available at quarter end (item 7.5)	-
8.4 Total available funding (item 8.2 + item 8.3)	386
8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)	.78
<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?	
<p>1. Answer: We do not anticipate a material change in underlying General and Administrative expenses. Overall expenditures may increase commensurate with the undertaking of certain R&D activities as funds become available.</p>	

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: On 10 October 2024, the Company announced it had received firm commitments for a \$3m share placement led by broker CPS Capital as detailed in recent ASX announcements.

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: Yes, with the completion of the above noted capital raise.

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.

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.

Date: 28 October 2024

Authorised by: Board of Directors
(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.