



## Prospectus

Imagion Biosystems Limited ACN 616 305 027

Placement of 242,000 Convertible Notes with a face value of \$1.00 per Convertible Note and a subscription price of \$0.90909 to raise a maximum of approximately \$220,000 before costs and grant of 2,048,122 Options (**Offer**)

**This is an important document and should be read in its entirety. If, after reading this document, you have any questions about the securities being offered for issue under it or any other matter, you should contact your stockbroker, solicitor, accountant or other professional adviser.**

**This is a transaction-specific prospectus issued in accordance with section 713 of the *Corporations Act 2001* (Cth) and ASIC Corporations (Offers of Convertibles) Instrument 2016/83.**

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## IMPORTANT NOTICES

### General

This Prospectus is dated 21 May 2024. A copy of this Prospectus was lodged with ASIC on that date. Neither ASIC nor ASX takes any responsibility for the contents of this Prospectus or the merits of any investment under this Prospectus. No Convertible Notes or Options will be allotted or transferred on the basis of this Prospectus after the expiry date. This Prospectus expires 13 months after the date of issue.

No person may give any information or make a representation about the Offer, which is not in this Prospectus. Information or representations not in this Prospectus must not be relied on as authorised by the Company, or any other person, in connection with the Offer.

This Prospectus provides information for investors to decide if they wish to invest in IBX. Read this document in its entirety. Examine the assumptions underlying the risk factors that could affect the financial performance of IBX. Consider these factors carefully in light of your personal financial circumstances. Seek professional advice from your accountant, stockbroker, lawyer or other professional adviser before deciding whether to invest. The Offer does not take into account the investment objectives, financial situation or needs of particular investors.

### Transaction Specific Prospectus

This Prospectus is a transaction specific prospectus and has been prepared in accordance with section 713 of the Corporations Act and ASIC Corporations (Offers of Convertibles) Instrument 2016/83. It does not contain the same level of disclosure as an initial public offering prospectus. In making representations in this Prospectus regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters may reasonably be expected to be known to investors and professional advisers that potential investors may consult.

### Exposure Period

The Corporations Act prohibits the acceptance of an application for, or an issue of, securities in the seven calendar day period after the date this Prospectus was lodged with ASIC. This period is the Exposure Period. The Exposure Period may be extended by ASIC by up to a further seven days.

The purpose of the Exposure Period is to enable materials in the Prospectus, which relate to the offer of Convertible Notes, to be examined by ASIC and market participants before the offer may be accepted by the Investor.

The Company will not accept an Application for, nor will it issue any Convertible Notes during the Exposure Period. Any Application Form received prior to the expiration of the Exposure Period will not be processed until after the Exposure Period.

### Risk Factors

Potential investors should be aware that subscribing for Convertible Notes and Options involves a number of risks. The key risk factors of which investors should be aware of are set out in Section 6. These risks together with other general risks applicable to all investments in listed securities not specifically referred to, may affect the value of the Convertible Notes or Options in the future (including the underlying shares). Accordingly, an investment in the Company should be considered highly speculative. Potential investors should consider consulting their professional advisers before deciding whether to apply for Convertible Notes pursuant to this Prospectus.

### Electronic prospectus

This Prospectus is available electronically at [www.imagionbiosystems.com](http://www.imagionbiosystems.com). Electronic versions of this Prospectus should be downloaded and read in their entirety. Obtain a paper copy of the Prospectus (free of charge) by telephoning (02) 9290 9600. Applications for Convertible Notes may only be made by the relevant investor.

### Foreign selling restrictions

No action has been taken to register or qualify the Convertible Notes, Options or the Offer in any jurisdiction outside Australia, or otherwise to permit an offering of the securities or outside Australia.

The Prospectus does not constitute an offer or invitation in any jurisdiction where, or to any person to whom, the offer or invitation would be unlawful. The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any of those restrictions. Any failure to comply with the restrictions may constitute a violation of applicable securities laws.

Each potential investor warrants and represents that they will not offer or sell the relevant securities in the United States or in any other jurisdiction outside Australia, or to a United States person, except in transactions exempt from registration under the US Securities Act 1933 as amended, and in compliance with all applicable laws in the jurisdiction in which the securities are offered and sold.

This Prospectus may not be released to US wire services or distributed in the United States except by the Company to "accredited investors" (as defined in Rule 501(a) under the US Securities Act).

### Forward-looking statements

Statements in this Prospectus may be forward looking statements.

Forward looking statements can be identified by the use of forward-looking terminology such as, but not limited to, 'may', 'will', 'expect', 'anticipate', 'estimate', 'would be', 'believe', or 'continue' or the negative or other variations of comparable terminology. These statements are subject to risks and uncertainties that could cause actual results to differ materially from those projected. The Directors' expectations, beliefs and projections are expressed in good faith and are believed to have a reasonable basis. They are based on, among other sources, the examination of historical operating trends, data in the Company's records and other data available from third parties. There can be no assurance, however, that the Directors' expectations, beliefs or projections will give the results projected in the forward-looking statements. Investors should not place undue reliance on these forward-looking statements.

Additional risk factors that could cause actual results to differ materially from those indicated in the forward-looking statements are set out in Section 6.

### Privacy

The Company and the share registry collect, hold and use personal information received from you to communicate and provide services to you as a Shareholder. The Company may disclose information to its agents, service providers (such as the share registry) and government bodies. The Company's privacy policy sets out how you may access, correct and update the personal information that the Company holds about you (by contacting the share registry), how you can complain about privacy related matters and how the Company responds to complaints.

### Defined terms

Capitalised terms used in this Prospectus are defined in the Glossary.

### Currency

Monetary amounts shown in this Prospectus are expressed in Australian dollars unless otherwise stated.

### Photographs and diagrams

Photographs used in this Prospectus without descriptions are only for illustration. The people shown are not endorsing this Prospectus or its contents. Diagrams used in this Prospectus may not be drawn to scale. The assets depicted in photographs in this Prospectus are not assets of the Company unless otherwise stated.

**THIS DOCUMENT IS IMPORTANT AND SHOULD BE READ IN ITS ENTIRETY**

## Letter from the Chair

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21 May 2024

Dear Investor,

This Prospectus relates to a private placement to Mercer Street Global Opportunity Fund, LLC (**Investor** or **Mercer**), as announced by the Company today, of up to 242,000 convertible notes in the Company (**Convertible Notes**) to raise up to approximately \$220,000 (**Placement**), and the grant of 2,048,122 Options with an exercise price of \$0.11284 each. The Company is drawing down on the Mercer facility, which was first announced on 7 March 2023.

Please refer to the Company's announcement today, for further information in relation to the drawdown of the Mercer Convertible Securities.


The Company has undertaken the Placement for the purposes of funding the Company's short-term working capital requirements. Given the previous suspension of the Company's Shares in the preceding 12 months, this Prospectus has been prepared primarily for the purpose of section 708A(11) of the Corporations Act to remove any trading restrictions on the sale of any Shares upon the conversion of the Convertible Notes issued under the Placement and in relation to the granting of the Options.

The Offer is only available to the Investor who is participating in the Placement announced by the Company today and who has been personally invited to accept the Offer. An Application Form will be provided to the Investor only.

I encourage you to read this Prospectus and the information referred to in it in its entirety before making an investment decision.

Yours faithfully

DocuSigned by:

  
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**Robert Proulx**  
**Chair**

## 1 Investment overview

### 1.1 Summary offer details

Terms of offer	Details
Face value per Convertible Note	\$1.00
Subscription price per Convertible Note	\$0.90909
Total number of Convertible Notes on issue	3,550,000
Total number of Convertible Notes offered under the Placement	242,000
Total maximum amount to be raised under the Placement (approximately)	\$220,000
Approximate total number of Convertible Notes after completion of the Offer	3,792,000
Number of Options to be granted	2,048,122

### 1.2 Important dates

Event	Date
Prospectus date	21 May 2024
Opening date *	28 May 2024
Closing Date (5:00pm AEST) *	29 May 2024
Anticipated date of allotment of Convertible Notes and issue of Options	29 May 2024
Statements expected to be despatched	31 May 2024

***All dates and times are subject to change and are indicative only. All times are to AEST. The Company reserves the right to vary these dates and times without notice.***

***\*Opening and Closing dates are subject to the Exposure Period. ASIC may extend the Exposure Period by up to seven calendar days in which case the opening date for the offer and other dates may be varied accordingly without notice.***

### 1.3 Purpose of the Offer and use of funds

Proceeds from the issue of the Convertible Notes will be applied principally to fund the Company's short-term working capital requirements and payment of debts. No funds are raised from the grant of the Options.

### 1.4 Shareholding structure

The following table shows the shareholding structure of IBX on completion of the Offer:

Existing Shares on issue	32,646,551
Existing Convertible Notes on issue	3,550,000
Existing options on issue	3,304,490
Convertible Notes to be issued under the Offer	242,000

<b>Options to be issued under the Offer</b>	2,048,122
<b>Total number of Convertible Notes after completion of the Offer</b>	3,792,000
<b>Total number of options after completion of Offer</b>	5,352,612

### 1.5 Potential questions and answers

<b>Question</b>	<b>Answer</b>	<b>Section</b>
<b>Who is the issuer of this Prospectus?</b>	Imagion Biosystems Limited ACN 616 305 027	Not applicable
<b>What is the Offer?</b>	The Offer is placement of up to 242,000 Convertible Notes with a face value of \$1.00 per Convertible Note and a subscription price of \$0.90909 to raise a maximum of approximately \$220,000 before costs and the grant of 2,048,122 Options.	section 3.2
<b>What is the Face Value of the Convertible Notes?</b>	The Convertible Notes are being issued with a face value of \$1.00 per Convertible Note.	section 3.2
<b>What rights and liabilities attach to the Convertible Notes?</b>	The Convertible Notes are being issued pursuant to the Mercer Convertible Securities Agreement and on the same terms as the First, Second and Third Tranche Convertible Notes.	section 7.2
<b>What rights and liabilities attach to the Options?</b>	The Options are being issued pursuant to the Mercer Convertible Securities Agreement and on the same terms as the previous options granted under that agreement.	section 8.3
<b>What is the Company's financial position?</b>	The Company's financial position is set out in detail in section 5 of this Prospectus.	section 5
<b>What risks are involved with an investment in the Company?</b>	An investment in IBX is subject to both general and specific risks which you should consider before making a decision to apply for Convertible Notes. Key specific risks include: sufficiency of funding, impact of COVID-19, product risk, commercialisation risk, regulatory risk, product liability, dependence on service providers and third-party collaborators, reliance on key personnel, intellectual property, competition risk, currency risk, requirement to raise additional funding, going concern and insurance.	section 5.1
<b>Is the Offer underwritten?</b>	The Offer is not underwritten.	section 3.1
<b>Further questions</b>	If you have questions about the Offer, please contact the Company Secretary on +61 3 9692 7222.	section 3.11

### 1.6 Key features of the Convertible Note

The Convertible Notes are being issued on the same terms as the First, Second and Third Tranche Convertible Notes.

<b>Matter</b>	<b>Particulars</b>
<b>Who is the issuer?</b>	Imagion Biosystems Limited ACN 616 305 027.
<b>Type of instrument</b>	Secured convertible notes convertible into fully paid ordinary shares at the Conversion Price.
<b>Denomination</b>	AUD.
<b>Face Value</b>	The face value of each Convertible Note is \$1.00.
<b>Maturity Date</b>	18 months from date of issue.
<b>Interest payable</b>	No interest is payable on the unconverted drawn funds. In the event of a default by the Company, the Company must pay interest at a rate of 15% per annum on the Face Value of all outstanding Convertible Notes.
<b>Conversion</b>	The Investor may (at its absolute discretion) convert any Convertible Notes at any time prior to the Maturity Date, by giving the Company a conversion notice, provided such conversion is for a Face Value in an amount equal to or greater than \$25,000 (unless the remaining Face Value of the Convertible Notes on issue is less than \$25,000, in which case for the full remaining value).
<b>Conversion Price</b>	The higher of: <ul style="list-style-type: none"> <li>i. 90% of the lowest daily VWAP (volume weighted average price) of the Shares for the 15 trading days on which Shares traded in the ordinary course of business on the ASX ending on the date immediately prior to the relevant conversion notice; and</li> <li>ii. a floor price of \$0.50.</li> </ul>
<b>Repayment</b>	<p>The Face Value of any unconverted Convertible Notes and any accrued by unpaid interest are repayable by the Company:</p> <ul style="list-style-type: none"> <li>i. within 20 business days of the Maturity Date; and</li> <li>ii. if an event of default is subsisting after 10 business days of the Company receiving a notice of default from the Investor, within 10 business days after the end of such notice period.</li> </ul> <p>The Investor may also require repayment by the Company of the Convertible Notes upon occurrence of a change of control, a delisting or a qualifying capital raising which in aggregate raises \$10,000,000 or more.</p>
<b>Events of Default</b>	Standard events of default apply, including but not limited to an insolvency event or material adverse effect occurring, or the Company being in breach of any obligation, covenant or undertaking to the Investor and the breach not being rectified within 5 business days.
<b>Voting</b>	The Convertible Notes do not entitle the holder to any voting rights.
<b>Governing Law</b>	Queensland, Australia

## 1.7 Important notice

This section is not intended to provide full details of the investment opportunity. The Investor must read this Prospectus in full to make an informed investment decision. The Convertible Notes and Options offered under this Prospectus carry no guarantee of return of capital, return on investment, payment of dividends or on the future value of the Shares.



## 2 IBX – the business

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### 2.1 Board and management team

#### **Mr Robert Proulx**

Executive Director

Robert Proulx was appointed as an Executive Chairman on 6 December 2016.

Mr Proulx has over 25 years' experience bringing life science and medical device products through development and commercialisation and joined the predecessor company, Senior Scientific as President and Chief Operating Officer.

#### **Mr Michael Harsh**

Non-Executive Director

Michael Harsh was appointed as a Non-Executive Director on 28 February 2017.

Mr Harsh has over 37 years' service to GE, mostly with GE Healthcare on his resume, Michael Harsh is extraordinary fluent in the complex processes of transforming high-potential platform technologies into successful medical diagnostic products.

#### **Mr David Ludvigson**

Non-Executive Director

David Ludvigson was appointed as non-executive director on 8 March 2017.

Mr Ludvigson is a director (formerly President and CEO) of Nanomix, Inc, a mobile diagnostics company. Previously, David held executive leadership positions with Nanogen, Matrix Pharmaceutical, IDEC Pharmaceuticals, MIPS Computer Systems, and other high-tech companies. He began his career at Price Waterhouse.

#### **Mr Mark Van Asten**

Non-Executive Director

Mark Van Asten was appointed as non-executive director on 6 December 2016.

Mr Van Asten was the managing director and founder of Diagnostic Technology Pty Ltd, Mark has been responsible for the development, introduction, and mainstream healthcare adoption of technologies throughout Australia and Asia. Mark has also held several director-level business development positions with US and Australian diagnostics corporations.

## 3 Details and effect of the Offer

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### 3.1 Purpose of prospectus

The Company has been suspended from trading on the ASX for more than 5 days in the last 12 months and as a result was precluded from issuing a 'cleansing' notice in accordance with section 708A(5) of the Corporations Act to ensure the any fully paid ordinary shares in the capital of the Company (**Shares**) issued on the conversion of the Convertible Notes issued under this Prospectus, and the Options are not subject to on-sale restrictions. This Prospectus will remove the on-sale restrictions.

### 3.2 Overview

The Offer is placement of up to 242,000 Convertible Notes with a face value of \$1.00 per Convertible

Note and a subscription price of \$0.90909 to raise a maximum of approximately \$220,000 (before costs including fees paid to advisers and to providers of specific services to cover share registry, printing and postage costs), and for the grant of 2,048,122 Options with an exercise price of \$0.11284 each.

The Board intends to use the proceeds of the Convertible Notes to fund its short-term working capital requirements.

The Offer is only available to the Investor who is participating in the placement announced by the Company today and who has been personally invited to accept the Offer. An Application Form will be provided to the Investor only.

The Applicant should be aware that an investment in IBX involves risks. The key risks identified by IBX are set out in section 5.1 of this Prospectus.

### **3.3 Underwriting**

The Offer is not underwritten.

### **3.4 Purpose of the Prospectus**

This Prospectus has been prepared primarily to facilitate the secondary trading of any Shares issued on the conversion of the Convertible Notes issued under this Prospectus, and the Options.

Only the Investor is eligible to receive Convertible Notes and Options under this Prospectus.

### **3.5 Impact on control**

The issue of the Convertible Notes and Options under this Prospectus is not expected to have any material effect on the control of the Company. However, the principal effect of the issue of the Convertible Notes on the Company will be:

- a) the satisfaction of the Company's obligations under the CSA;
- b) an increase in the number of unquoted Convertible Notes on issue from 3,550,000 to 3,792,000;
- c) increase in the number of options issued in the capital of the Company by 2,048,122 options;
- d) the Company having an increase in liability for the aggregate amount of the Face Value (and any accrued but unpaid interest) of the Convertible Notes issued under the CSA;
- e) if the Convertible Notes issued under this prospectus are converted at the lowest possible conversion price (being \$0.50), a maximum increase in the number of Shares by 484,000 Shares; and
- f) if the Options are exercised, a maximum increase in the number of Shares by 2,048,122 Shares (plus receipt of approximately \$231,110 being the aggregate exercise price of the Options).

### **3.6 Financial position**

The effect of the Offer on the financial position of the Company is set out in section 5.

### **3.7 Taxation considerations**

The taxation consequences of an investment in the Company depend upon your particular circumstances. You should make your own enquiries about the taxation consequences of an investment in the Company. If you are in doubt about the course you should follow, you should consult your accountant, stockbroker, lawyer or other professional adviser.

### **3.8 United States**

This Prospectus does not constitute a general offer to sell, or the solicitation of an offer to buy, any securities in the United States. The Offer or the Convertible Notes have not been, nor will be, registered under the U.S. Securities Act or the securities laws of any state or other jurisdiction of the United States. This Prospectus may not be released to US wire services or distributed in the United States except by the Company to "accredited investors" (as defined in Rule 501(a) under the US Securities Act). The Convertible Notes and Options will only be offered and sold outside the United States in 'offshore transactions' as defined in and in reliance on Regulation S under the U.S. Securities Act.

### **3.9 Foreign selling restrictions**

No action has been taken to register or qualify the Convertible Notes, Options or the Offer in any jurisdiction outside of Australia and New Zealand, or otherwise to permit a public offering of the Convertible Notes outside Australia and New Zealand.

The Prospectus does not constitute an offer or invitation in any jurisdiction where, or to any person to whom, the offer or invitation would be unlawful. The distribution of this Prospectus in jurisdictions outside Australia and New Zealand may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any of those restrictions. Any failure to comply with the restrictions may constitute a violation of applicable securities laws.

The Applicant warrants and represents that they will not offer or sell the Convertible Notes or Options in the United States or in any other jurisdiction outside Australia or New Zealand, or to a United States person, except in transactions exempt from registration under the US *Securities Act 1933* as amended, and in compliance with all applicable laws in the jurisdiction in which the Convertible Notes or Options are offered and sold. The Applicant warrants and represents that they have not and will not send any materials relating to the Offer to any person in the United States or a person acting for the account or benefit of a person in the United States

### **3.10 Withdrawal**

The Company reserves the right to withdraw the Offer, at any time before the allotment of Convertible Notes or grant of the Options. If the Offer does not proceed, the Application Money will be refunded. No interest will be paid to the Investor on any Application Money refunded because of the withdrawal of the Offer.

### **3.11 Enquiries**

If you have questions about the Offer, please contact the Company Secretary on +61 3 9692 7222.

## 4 How to apply

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### 4.1 Applying for Convertible Notes

The Offer is only available to the Investor who is participating in the Placement announced by the Company today and who has been personally invited to accept the Offer. An Application Form will be provided to the Investor only.

A completed Application Form for Convertible Notes must be mailed or delivered to the Company by the Closing Date set out in section 1.2 in accordance with the instructions provided by the Company to the Investor.

The Opening Date and Closing Date for the Offer (as set out in section 1.2) are indicative only and subject to change without notice. The Company may vary these dates, including to close the Offer early, extend the Closing Date or to withdraw the Offer at any time prior to issue. If any of the dates are changed, subsequent dates may also change. You are encouraged to lodge your Application Form as soon as possible after the opening date.

### 4.2 Payment

The consideration for the Convertible Notes is payable in full on application. The Company will contact the Investor with details regarding how payment can be made.

### 4.3 Application Form is binding

A completed and lodged Application Form, or a payment made through BPAY or directly to the Company, constitutes a binding offer to acquire Convertible Notes and Options on the terms of this Prospectus and cannot be withdrawn.

If the Application Form is not completed correctly it may still be treated as a valid application. The Directors' (or their delegates') decision whether to treat an acceptance as valid and how to construe, amend or complete the Application Form is final.

By completing and returning an Application Form with the requisite Application Money or making a payment by BPAY or directly to the Company, you will also be taken to have acknowledged, represented and warranted on behalf of each person on whose account you are acting that you:

- (a) are not a person to whom it would be illegal to make an offer or issue Convertible Notes or Options under the Offer; and
- (b) acknowledge that the Convertible Notes and Options have not been, and will not be, registered under the US *Securities Act of 1933* or under the laws of any other jurisdiction outside Australia or New Zealand.

### 4.4 Validity of Application Forms

By completing and lodging an Application Form received with this Prospectus, the Applicant represents and warrants that the Applicant has personally received a complete and unaltered copy of this Prospectus before completing the Application Form.

The Company does not accept a completed Application Form if it has reason to believe the Applicant has not received a complete copy of the Prospectus or it has reason to believe that the Application Form has been altered in any way.

### 4.5 Brokerage and Stamp Duty

No brokerage fee is payable by the Applicant under the Offer. No stamp duty is payable for

subscribing under the Offer.

#### 4.6 Information Availability

The Applicant can obtain a copy of this Prospectus from IBX's website at [www.imagionbiosystems.com](http://www.imagionbiosystems.com) or by calling the share registry on 1300 737 760 (within Australia) and +61 9290 9600 (outside Australia) at any time from 8.30am to 5.00pm (AEST) until the Closing Date.

## 5 Financial information

### 5.1 Historical and pro forma consolidated balance sheet as at 31 December 2023

Set out below is a summary of the historical financial information for IBX as at 31 December 2023 (**Historical Financial Information**) and a pro-forma historical statement of the financial position as at 31 December 2023 (**Pro Forma Historical Financial Information**) (collectively, **Financial Information**).

The Financial Information has been prepared to illustrate the effect of the Offer.

### 5.2 Basis of preparation of financial information

The stated basis of preparation for the Historical Financial Information is in accordance with the recognition and measurement principles of the Australian Accounting Standards.

The stated basis of preparation for the Pro Forma Historical Financial Information is in a manner consistent with the recognition and measurement principles of the Australian Accounting Standards applied to the Historical Financial Information and the events or transactions to which the pro forma adjustments relate, as described in this section of the Prospectus, as if those events or transactions had occurred as at 31 December 2023.

### 5.3 Pro-forma adjustments to consolidated balance sheet

The Pro Forma Historical Financial Information has been derived from the Historical Financial Information and has been prepared on the basis that there have been no significant transactions that have occurred since 31 December 2023.

	31 December 2023 (AUDITED)	Impact of Convertible Notes	Proforma 31 December 2023
	\$	\$	\$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	227,084	220,000	447,084
Trade and other receivables	73,686	-	73,686
Other current assets	300,610	-	300,610
<b>TOTAL CURRENT ASSETS</b>	<b>601,380</b>	<b>220,000</b>	<b>821,380</b>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	736,401	-	736,401
Right of use assets	3,248,491	-	3,248,491
<b>TOTAL NON-CURRENT ASSETS</b>	<b>3,984,892</b>	-	<b>3,984,892</b>

	31 December 2023 (AUDITED)	Impact of Convertible Notes	Proforma 31 December 2023
	\$	\$	\$
<b>TOTAL ASSETS</b>	<b>4,586,272</b>	-	<b>4,806,272</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	2,208,883	-	-
Lease Liabilities	1,095,646	-	-
Borrowings	1,700,000	-	-
Employee Benefits	37,852	-	-
Other current liabilities	85,544	-	-
<b>TOTAL CURRENT LIABILITIES</b>	<b>5,127,925</b>	-	<b>5,127,925</b>
<b>NON-CURRENT LIABILITIES</b>			
Borrowings	750,000	242,000	992,000
Lease Liabilities	2,492,700	-	-
Employee benefits	3,694	-	-
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>3,246,394</b>	<b>242,000</b>	<b>3,488,394</b>
<b>TOTAL LIABILITIES</b>	<b>8,374,319</b>	<b>242,000</b>	<b>8,594,319</b>
<b>NET ASSETS / (LIABILITIES)</b>	<b>(3,788,047)</b>	<b>(22,000)</b>	<b>(3,810,047)</b>
<b>EQUITY</b>			
Issued capital	59,605,923	-	59,605,923
Reserves	4,921,408	-	4,921,408
Accumulated losses	(68,315,378)	(22,000)	(68,337,378)
<b>TOTAL EQUITY/ (DEFICIENCY)</b>	<b>(3,788,047)</b>	<b>(22,000)</b>	<b>(3,810,047)</b>

#### 5.4 Pro forma cash flow statement as at 31 December 2023

The Company's pro forma historical cash position at 31 December 2023 adjusted for the Offer is derived from actual cash as follows:

Cash as at 31 December 2023	\$227,084
Gross proceeds of the Offer	\$220,000
Offer costs of the Offer	(\$26,000)
Pro forma historical cash balance	<u>\$ 421,084</u>

## **6 Risk factors**

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### **6.1 Factors influencing success and risk**

#### **Introduction**

This section identifies the major risks the Board believes are associated with an investment in IBX.

The IBX business is subject to risk factors, both specific to its business activities, and risks of a general nature. Individually, or in combination, these might affect the future operating performance of IBX and the value of an investment in the Company. There can be no guarantee that IBX will achieve its stated objectives or that any forward-looking statements will eventuate. An investment in the Company should be considered in light of relevant risks, both general and specific. Each of the risks set out below could, if it eventuates, have a material adverse impact on IBX's operating performance and profits, and the market price of the Shares.

Before deciding to invest in the Company, the potential investor should:

- (a) read the entire Prospectus;
- (b) consider the assumptions underlying the risk factors that could affect the financial performance of IBX;
- (c) review these factors in light of their personal circumstances; and
- (d) seek professional advice from their accountant, stockbroker, lawyer or other professional adviser before deciding whether to invest.

### **6.2 General market risks**

The Investor should be aware that the market price of IBX's securities may be influenced by a number of factors. General movements in local and international stock markets, exchange rates, prevailing economic conditions, investor sentiment and interest rates could all affect the market price of IBX's securities. These risks apply generally to any investment on the stock market.

In addition to the general risks associated with investing in the stock market, there are risks specific to investing in any particular entity. Some risks may be outside IBX's control and not capable of mitigation. If in doubt about the general or specific risks associated with IBX's securities, you should seek advice from your professional advisers.

#### **Investment risks**

Factors affecting the price at which IBX Shares are traded on ASX could include domestic and international economic conditions. In addition, the prices of a listed entity's securities are affected by factors that might be unrelated to its operating performance, such as general market sentiment.

#### **Macro economic risks**

IBX's operational and financial performance is affected by the Australian and other international economies and, in particular, the consumer markets within those economies. General and business conditions, inflation, interest rates, monetary and fiscal policy, political circumstances and currency exchange rates are all matters which may affect IBX's operating and financial performance.

#### **Taxation risks**

A change to the current taxation regime in Australia or in overseas jurisdictions in which IBX operates may affect IBX and its shareholders.

## Accounting standards

Australian accounting standards are set by the Australian Accounting Standards Board (**AASB**) and are outside IBX's control. Changes to accounting standards issued by AASB could materially adversely affect the financial performance and position reported in IBX's financial statements.

## 6.3 Specific risks

Below is an analysis of some of the specific business risks facing IBX in the conduct of its activities. IBX is exposed to risks relevant to many businesses, including increasing competition, information systems failure risk and protection of intellectual property. This section is intended to be a concise summary of the key risks to IBX's business – not an exhaustive list of all possible risks.

### Sufficiency of funding

The Company has limited financial resources and will need to raise additional funds to finance the continued operations, research, development and commercialisation of its technology / products and its other longer-term objectives. The Company's ability to raise additional funds will be subject to, among other things, factors beyond the control of the Company and its Directors, including cyclical factors affecting the economy and share markets generally. The Directors can give no assurance that future funds can be raised by the Company on favourable terms, if at all. If for any reason the Company was unable to raise future funds, its ability to achieve its milestones or continue future development / commercialisation of its technology / product would be significantly affected.

The Company refers to its most recent Annual Report in relation to the current financial circumstances of the Company, in particular referencing the notes set out in the Annual Report in relation to the Company operating as a going concern.

### Impact of COVID-19

The global impact of the COVID-19 pandemic, and the advice and responses from health and regulatory authorities, is continuously evolving. The global economic outlook is facing uncertainty due to the COVID-19 pandemic which has had and may continue to have a significant impact on capital markets and share prices. The Company's Directors are closely monitoring the situation and considering the impact on the Company's business from both a financial and operational perspective.

To date, COVID-19 has affected equity markets, governmental action, regulatory policy, quarantining, self-isolations and travel restrictions. These impacts are creating risks for the Company's business and operations in the short to medium term. Shipping and supply (domestic and international) delays have impacted and may continue to impact the Company, delaying the receipt of critical R&D material as part of the research and development program. This may extend to the receipt of manufactured kits for laboratory and clinical trial testing. Staff reduction in some international supplier businesses may also extend typical processing and shipping times. The pandemic has adversely affected enrolment of clinical trials globally, and while this challenge is abating it is possible that the Company may face delays with patient recruitment once it starts further clinical trials. The Company has provided the ASX with market updates relating to COVID-19 and its potential impact but such market updates may not address all possible consequences. The Company has in place business continuity plans and procedures to help manage the keys risks that may cause a disruption to the Company's business and operations, but their adequacy cannot be predicted.

### Product risk

The MagSense® specific cancer imaging agents are still at various stages of development and each is a new applications and has not been fully proven. The detection of a specific type of cancer depends on the availability and functionality of tumor specific targeting moieties, e.g. antibodies, peptides, or ligands. The Company cannot guarantee that targeting moieties will be available to achieve the bio-functionality needed for any given application. Additionally, whilst a sample of in-



human safety and efficacy data has been collected for the Company's first product, a test for HER2 Breast Cancer, further in-human studies will be required to confirm clinical use. Although the Company has obtained approval for a recent Phase 1 study in Australia there has been no regulatory approval in any other country and that regulatory approval has not yet been, and may not be, granted. There is an inherent risk that development of the technology will not progress as planned or achieving further regulatory clearance may take longer than planned which could require the Company to raise more capital.

### **Commercialisation risk**

Due to limited clinical data, there is no certainty that the MagSense® technology will be commercially viable, and the profitability and sustainability of the Company's business model is uncertain. There is no guarantee that any of the Company's research, development or commercialization plans and activities in relation to the MagSense® technology will be successful, that the Company will reach further development milestones or that the MagSense® technology tests will be commercially exploitable. There can be no assurance that the Company will attract a commercial licensee or partner, which may delay commercial progress or require the Company to raise more capital.

There is no certainty that medical professionals or other potential customers will take up Imagion's products. The products retailed by the Company, its licensee, or partner may be unable to complete with established medical imaging methods on price or accuracy or may be unsuited to the established preferences or methods of medical professionals or other potential consumers.

### **Regulatory risks**

The diagnostic imaging industry is highly regulated in Australia, the United States, and other countries in which the Company may conduct business operations. Whilst the Company is not aware of any reason why its MagSense® imaging agents will not continue to be able to be used in further clinical settings for HER 2 breast cancer as well as transitioning from phase 1 to further clinical product development for other cancer indications and uses, the Company cannot guarantee that this will occur in a timely manner or at all. The capabilities, testing, maintenance and stability of the MagSense® technology is subject to regulatory and legal requirements, and any amendment to existing legislation or regulations in countries where the Company operates or plans to operate may adversely affect the Company's operations. Any actual or alleged breach of such legislation or regulations could result in the Company or any of its subsidiaries being subject to delayed filings or review, remedial actions, such as product recalls, or penalties, or litigation. Following commercialization of the MagSense® technology, the Company will be subject to United States, Australian or any other applicable jurisdictional laws and regulations concerning the post market surveillance of imaging agents.

### **Product liability**

Developing and commercializing imaging agents carries an inherent risk of product liability. Even though the Company has insurance cover, any product liability claims are likely to disrupt the Company's business operations and may cause reputational harm by leading medical professionals and other consumers to doubt product accuracy, safety or quality, adversely impacting the Company's performance.

### **Dependence on service providers and third-party collaborators**

The Company relies upon independent third-party service providers, third-party collaborators including academic institutions and clinical study sites to complete the development and commercialisation of its products. The Company therefore is exposed to the risk that any of these parties can experience problems related to operations, financial strength or other issues, which in turn could negatively impact the progress or success of the Company's product development efforts.

### **Reliance on key personnel**

The Company's research and development and its operations success will substantially depend on the continued employment of senior executives, technical staff and other key personnel. The loss of key personnel is likely to have an adverse effect on the Company's operation and performance.

### **Intellectual property**

The prospect of obtaining patent protection for its imaging agents that the Company proposes to develop is highly uncertain and involves complex and continually evolving factual and legal questions. The Company may incur significant costs in applying for, prosecuting or defending its intellectual property rights.

The Company may rely on trade secret and first-mover advantage to assist in the protection of its imaging agents. Although the development of these imaging agents is highly complex there is still a risk that competitors could attempt to replicate the technology.

The detection of a specific type of cancer depends on the availability of tumor specific targeting moieties, e.g. antibodies, peptides, or ligands. The Company cannot guarantee that targeting moieties will be available to license for any given application or at commercially reasonable terms.

### **Competition risk**

The biotechnology sector is highly competitive and subject to rapid and significant technology change. The development of imaging agents is very difficult and demanding; even more so if this competition is against competitors who may have larger resources than the Company. A number of companies, both in Australia and overseas, may be developing imaging technology that target similar markets that Imagination Biosystems Limited is targeting. The Company may face competition from companies with superior technologies or greater resources. As a result, there is the risk that the Company may be beaten to the market by one or more competitors.

### **Currency risk**

Revenue and expenditure in overseas jurisdictions are subject to the risk of fluctuations in foreign exchange markets. The Company carries on part of its business outside of Australia and intends to continue to do so. Accordingly, revenues and payments will be made in those countries' currencies and may deviate from budgeted expectations if there are adverse currency fluctuations against the Australian dollar.

### **Requirement to raise additional funding**

The Company may be required to raise additional funds in the future. There is no guarantee that the Company will be able to raise such additional capital when it is required, or on terms satisfactory to the Company. If the Company is unsuccessful in obtaining funding when required, this may have a material adverse effect on the Company's business and financial condition and performance and the Company may need to delay, scale down or cease its operations. Further, any additional capital raised may dilute Shareholders' interests in the Company.

### **Going Concern**

Please refer to the Company's most recent financial reports in relation to detailed 'going concern' considerations. The Directors believe that with Mercer's support it is currently able to meet its current commitments and short-term working capital. However, further funding will be required to meet the operational needs of the Company.

The Company's failure to raise sufficient capital (when needed), including successful completion of this Offer, would have a material adverse effect on the Company's activities and its status as a going concern.

## Insurance

The Company insures its business and operations. However, the Company's insurance may not be of a nature or level to provide adequate insurance cover to insure against the occurrence of all events that may impact on the operations of the Company. The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on the business, financial conditions and results of the Company.

### 6.4 Cautionary statement

Statements in this Prospectus may be forward looking statements.

Forward looking statements can be identified by the use of forward-looking terminology such as, but not limited to, 'may', 'will', 'expect', 'anticipate', 'estimate', 'would be', 'believe', or 'continue' or the negative or other variations of comparable terminology. These statements are subject to risks and uncertainties that could cause actual results to differ materially from those projected. The Directors' expectations, beliefs and projections are expressed in good faith and are believed to have a reasonable basis. They are based on, among other sources, the examination of historical operating trends, data in the Company's records and other data available from third parties. There can be no assurance, however, that the Directors' expectations, beliefs or projections will give the results projected in the forward-looking statements. Investors should not place undue reliance on these forward-looking statements.

Additional factors that could cause actual results to differ materially from those indicated in the forward-looking statements are discussed earlier in this section.

## 7 Material agreements

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### 7.1 Key documents

The Board considers that certain recent agreements relating to IBX are significant to the Offer, the operations of IBX or may be relevant to investors. A description of material agreements or arrangements, together with a summary of the more important details of each of these agreements is set out below.

### 7.2 Mercer Convertible Securities Agreement

On 7 March 2023, IBX entered into a Convertible Securities Agreement with Mercer, a US-based investment fund managed by Mercer Street Capital Partners, LLC to provide up to \$15,000,000 of funding to the Company (**CSA**).

Under the CSA, Mercer initially invested \$1,500,000 in convertible notes (**First Tranche**). Additionally, on 31 May 2024, Mercer invested in a further \$1,000,000 convertible notes (**Second Tranche**) and on 25 August 2023, Mercer invested in a further \$1,000,000 (**Third Tranche**). Details of the tranches are set out below.

#### (a) First Tranche

21 March 2023, raised \$1,500,000 through the issue of 1,650,000 convertible notes. Each convertible note has a floor price of \$0.50 and expires on 20 September 2023;

#### (b) Second Tranche

31 May 2023, raised \$1,000,000 through the issue of 1,100,000 convertible notes. Each convertible note has a floor price of \$0.50 and expires on 30 November 2024; and

**(c) Third Tranche**

25 August 2023, raised \$1,000,000 through the issue of 1,100,000 convertible notes. Each convertible note has a floor price of \$0.50 and expires on 25 February 2025.

**Key terms of convertible notes issued under CSA:**

- (a) Face value of \$1.00 at a subscription price of \$0.90909;
- (b) No interest is payable on the convertible securities or the undrawn funds.
- (c) The conversion price is 90% of the lowest VWAP during the 15 trading days immediately prior to issuing the relevant conversion notice, subject to the floor price of \$0.50;
- (d) Each convertible note provides Mercer with the option to convert the notes into Shares. If Mercer does not convert the convertible notes by the relevant maturity dates, IBX is required to repay Mercer the face value of the notes; and
- (e) The Company has the right to repurchase any unconverted convertible securities, at any time during the term, at 105% of the outstanding face value. If the repurchase is elected, Mercer will have the right to convert up to 30% of any outstanding face value prior to settlement.
- (f) It is intended that Mercer not own more than 9.99% of the shares in the Company at any point in time, and in any event their holding in the Company will not exceed 19.99%.
- (g) IBX has granted Mercer a first ranking security against any present and after-acquired secured property and revolving assets.

**Other conditions:**

- (h) The issue of securities under that agreement is otherwise subject to a number of closing conditions, including:
  - (i) the Company obtaining shareholder approval under the Listing Rules for the subsequent tranche of the convertible securities (and related options);
  - (ii) the Company otherwise being permitted to issue the securities under the Listing Rules;
  - (iii) the Company issuing a cleansing statement or prospectus for the securities (as applicable); and
  - (iv) customary conditions such as representations and warranties being true and correct; and
- (i) Authorisations and consents being obtained, delivery of documents, and no default by the Company.

**Termination and repayment provisions:**

Shareholders should also note that the agreement is subject to a number of termination provisions which may prevent the Company drawing on the funding facility or require repayment of the convertible securities prior to their maturity. This includes where:

- (j) there is an event of default that is not remedied;
- (k) there is a change of control of the Company under a takeover bid or scheme of

arrangement;

- (l) The Company's shares are delisted from the ASX (subject to certain exceptions in respect of early repayment); or
- (m) there is an adverse change in law.

#### **Use of funds:**

The funding provided by Mercer will be used for general working capital expenses.

### **7.3 Constitution**

The following is a summary of the major provisions of the Company's constitution:

#### **General Meeting**

Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of the Company.

Shareholders may requisition meetings in accordance with section 249D of the Corporations Act and the Company's constitution.

#### **Voting rights**

Subject to any rights or restrictions for the time being attached to any class or classes of Shares, at general meetings of Shareholders or classes of Shareholders:

- (a) each Shareholder entitled to vote may vote in person or by proxy, attorney or representative;
- (b) on a show of hands, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder has one vote; and
- (c) on a poll, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder shall, in respect of each fully paid Share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for the Share, and a fraction of a vote for each partly paid Share, equivalent to the proportion which the amount paid (not credited) is of total amounts paid and payable (excluding amounts credited), ignoring any amounts payable in advance of a call.

#### **Dividends and interim dividends**

Subject to the rights of any preference Shareholders and to the rights of the holders of any Shares created or raised under any special arrangement as to dividend, the Directors may from time to time declare a dividend to be paid to the Shareholders entitled to the dividend which shall be payable on all Shares according to the proportion that the amount paid (not credited) is of the total amounts paid and payable (excluding amounts credited) in respect of such Shares.

The Directors may from time to time pay to the Shareholders any interim dividends as they may determine. No dividend shall carry interest as against the Company. The Directors may set aside out of the profits of the Company any amounts that they may determine as reserves, to be applied at the discretion of the Directors, for any purpose for which the profits of the Company may be properly applied.

#### **Dividend reinvestment plan**

The Directors of the Company may on terms they decide, implement a dividend reinvestment plan.

No such plan exists as at the date of this Prospectus.

### **Winding-up**

If the Company is wound up, the liquidator may, with the authority of a special resolution of the Company, divide among the Shareholders in kind the whole or any part of the property of the Company, and may for that purpose set such value as he considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the Shareholders or different classes of Shareholders.

The liquidator may, with the authority of a special resolution of the Company, vest the whole or any part of any such property in trustees upon such trusts for the benefit of the contributories as the liquidator thinks fit, but so that no Shareholder is compelled to accept any Shares or other securities in respect of which there is any liability.

### **Shareholder liability to forfeiture of Shares**

As the Shares to be issued on the conversion of the Convertible Notes will be fully paid shares, they will not be subject to any calls for money by the Directors and will therefore not become liable for forfeiture.

### **Transfer of Shares**

Generally, Shares in the Company are freely transferable, subject to formal requirements, the registration of the transfer not resulting in a contravention of or failure to observe the provisions of a law of Australia and the transfer not being in breach of the Corporations Act or the ASX Listing Rules.

### **Future increase in capital**

The allotment and issue of any new Shares is under the control of the Directors. Subject to restrictions on the issue or grant of securities contained in the ASX Listing Rules, the Company's constitution and the Corporations Act (and without affecting any special right previously conferred on the holder of an existing share or class of shares), the Directors may issue securities as they shall, in their absolute discretion, determine.

### **Variation of rights**

Subject to the Corporations Act and the ASX Listing Rules, if at any time the share capital is divided into different classes of Shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class), whether or not the Company is being wound up, may be varied with the consent in writing of the holders of three-quarters of the issued shares of that class, if authorised by a special resolution passed at a separate meeting of the holders of the shares of that class or as otherwise permitted by the Corporations Act.

### **Alteration of constitution**

The Company's constitution can only be amended by a special resolution passed by at least three quarters of Shareholders present and voting at the general meeting.

## **7.4 Documents available for inspection**

Copies of the following documents are available for inspection during normal office hours at the registered office of the Company for 13 months after the date of this Prospectus:

- (a) the constitution of IBX; and
- (b) the consents to the issue of this Prospectus.

## 8 Additional information

### 8.1 Continuous reporting and disclosure obligations

This Prospectus is a 'transaction specific prospectus' issued under section 713 Corporations Act and ASIC Corporations (Offers of Convertibles) Instrument 2016/83.

In general terms, a transaction specific prospectus is only required to contain information about the effect of the issue of securities on a company and the rights attaching to the securities. It is not necessary to include general information about all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company.

The Company is subject to regular reporting and disclosure obligations because it is a 'disclosing entity' for the purposes of the Corporations Act. Additionally, as a listed company, IBX is subject to the Listing Rules which require disclosure to ASX of any information the Company has which a reasonable person would expect to have a material effect on the price or value of its Shares.

As a disclosing entity under the Corporations Act, the Company states that:

- (a) it is subject to regular reporting and disclosure obligations;
- (b) copies of documents lodged with ASIC in relation to the Company may be obtained from, or inspected at, an office of ASIC; and
- (c) it will provide a copy of each of the following documents, free of charge, to any person on request between the date of issue of this Prospectus and the Closing Date:
  - (i) the financial report for the Company for the full year ended 31 December 2023;
  - (ii) the financial report of the Company for the half year ended 30 June 2022; and
  - (iii) all continuous disclosure notices given by the Company after the lodgement of the full year financial report referred to above and before the lodgement of this Prospectus with ASIC (see below).

There is no information which has been excluded from a continuous disclosure notice in accordance with the ASX Listing Rules that investors or their professional advisers:

- (a) would reasonably require for the purpose of making an informed assessment of:
  - (i) the assets and liabilities, financial position and performance, profits and losses and prospects of the Company; and
  - (ii) the rights and liabilities attaching to the securities the subject of this Prospectus; and
- (b) would reasonably expect to find in this Prospectus.

This Prospectus contains information specific to the Offer. If investors require further information in relation to the Company, they are recommended to take advantage of the opportunity to inspect or obtain copies of the documents referred to above.

Copies of ASX announcements are available on the ASX website or the Company's website at [www.imagionbiosystems.com](http://www.imagionbiosystems.com).

The Company's ASX announcements since the Company lodged its annual financial report for the financial year ended 31 December 2023 to the date of this Prospectus are set out below.

Date	Announcements
14/05/24	Re-instatement to Official Quotation Imminent

13/05/24	Change of Company Secretary
10/05/24	Notification of cessation of securities – IBX
10/05/24	Appendix 4G and Corporate Governance Statement
10/05/24	Proposed issue of securities
10/05/24	2023 Annual Report to shareholders

In addition, copies of documents lodged with ASIC in relation to the Company may be obtained from, or inspected at, an office of ASIC.

The Company will give free of charge, to any person who requests it before the Closing Date, a copy of the Annual Report and any continuous disclosure notices lodged by the Company from lodgement of the Annual Report to the date of this Prospectus.

## 8.2 Rights attaching to Shares

The rights attaching to the Shares upon conversion of the Convertible Notes or on exercise of the Options are the same as the Existing Shares, are set out in the Company's constitution and summarised in section 7.3.

## 8.3 Rights attaching to Options

The rights attaching to the Options have been annexed to this Prospectus at **Annexure A**, and are otherwise summarised as follows:

- (a) an Option once exercise entitles the holder to receive a share in the capital of the company on a 1:1 basis;
- (b) the Options will expire at 5:00pm on the date that is 36 months after the date of grant;
- (c) Options are unlisted and not transferable without the consent of the Company; and
- (d) each Option has an exercise price of \$0.11284

## 8.4 Existing Options

Code	Existing Options	Exercise price	Expiry date
IBXAAV	75,000	\$0.64	28 February 2029
IBXAAU	1,164,597	\$0.90	25 August 2026
IBXAAR	353,474	\$1.496	20 March 2026
IBXAAA	68,750	\$1.12	1 May 2026
IBXAAB	68,750	\$1.12	1 May 2027
IBXAAC	50,000	\$1.12	1 May 2028
IBXAAM	21,775	\$1.68	1 May 2028
IBXAF	702,247	Various prices	Various dates
IBXAAH	100,000	\$3.488	Various dates
IBXAAT	699,897	\$1.496	26 May 2026

The Board considers it is unlikely that any Existing Options will be exercised before the Closing Date. However, if any Existing Options are exercised before the Closing Date, any proceeds raised will be



applied to the general working capital of IBX.

## 8.5 Other securities

The Company has the following other securities on issue as at the date of this Prospectus (excluding Shares and the Existing Options noted above).

Code	Security	Number on issue
IBXAAJ	Performance Rights	25,000
IBXAAQ	Convertible Notes	3,550,000

## 8.6 Litigation

To the best of the Directors' knowledge and belief, no litigation, mediation, conciliation or administrative proceeding is taking place, pending or threatened against the Company.

## 8.7 Consents and disclaimers of responsibility

None of the parties referred to below has made any statement that is included in this Prospectus or any statement on which a statement made in this Prospectus is based, except as specified below. Each of the parties referred to below, to the maximum extent permitted by law, expressly disclaims, and takes no responsibility for, any part of this Prospectus, other than the reference to its name and the statement included in this Prospectus with the consent of that party, as specified below.

K&L Gates has given, and has not withdrawn, its written consent to be named as lawyers to the Company in the form and context in which it is named.

Boardroom Pty Ltd has given, and has not withdrawn, its written consent to be named as Share Registry of the Company in the form and context in which it is named.

## 8.8 Interests of experts and advisers

Except as set out in this Prospectus:

- (a) no person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus has any interest or has had any interest during the last two years:
  - (i) in the formation or promotion of IBX;
  - (ii) in property acquired or proposed to be acquired by IBX in connection with its formation or promotion or the offer of the Convertible Notes, or
  - (iii) the offer of the Convertible Notes; and
- (b) no amount has been paid or agreed to be paid, and no benefit has been given, or agreed to be given, to any person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus in connection with the services provided by the person in connection with the:
  - (i) formation or promotion of IBX, or
  - (ii) offer of the Convertible Notes.

K&L Gates has acted as legal adviser to the Company for the Offer and has provided legal advice on

the Offer. K&L Gates will be paid an amount of approximately \$7,500 for these services (excluding GST and disbursements). During the 24 months preceding lodgement of this Prospectus with ASIC, K&L Gates has provided other general legal services provided to the Company on standard industry terms and conditions.

Boardroom Pty Ltd has been appointed to conduct the Company's share registry functions and to provide administrative services in respect to the processing of Application Forms received pursuant to this Prospectus, and are paid for these services on standard industry terms and conditions.

Brighton Capital has been appointed as placement agent in relation to the Offer and will receive a fee equal to 6% of the funds advanced on standard industry terms and conditions.

## **8.9 Substantial Shareholders**

There are no substantial shareholders in the Company holding over 5% of the issued capital of the Company.

## **8.10 Interests of Directors**

Other than as set out above or elsewhere in this Prospectus:

- (a) no Director or proposed Director of IBX has, or has had in the two years before lodgement of this Prospectus, any interest in:
  - (i) the formation or promotion of IBX;
  - (ii) any property acquired or proposed to be acquired by IBX in connection with the formation or promotion or the offer of the Convertible Notes; or
  - (iii) the offer of the Convertible Notes, and
- (b) no amounts have been paid or agreed to be paid and no benefit has been given or agreed to be given to any Director or proposed Director of IBX either:
  - (i) to induce him or her to become, or to qualify him or her as, a Director, or
  - (ii) otherwise for services rendered by him or her in connection with the formation or promotion of IBX or the offer of the Convertible Notes.

## **Shareholdings**

The Directors or their associates have a beneficial interest in the following Shares and Existing Options at the date of this Prospectus:

<b>Director</b>	<b>Direct Shares</b>	<b>Existing Options</b>
Michael Harsh	6,500	12,500
Robert Proulx	154,082	150,000
David Ludvigson	13,625	12,500
Mark Van Asten	15,329	12,500

## **Payments to Directors**

The constitution of IBX provides that the Directors may be paid, as remuneration for their services, a sum set from time to time by the Shareholders in general meeting, with that sum to be divided among the Directors as they agree.

The maximum aggregate amount which has been approved by the Shareholders for payment to the Directors is \$450,000 per annum. The current non-executive directors' fees are \$90,000 per annum for the Chair and \$45,000 per annum for each of the non-executive directors, but due to recent cost saving measures, no director fees are being paid or have been paid since 1 December 2023.

### **8.11 Expenses of the Offer**

The total estimated expenses of the Offer payable by the Company including ASX and ASIC fees, accounting fees, legal fees, share registry fees, printing costs, public relations costs and other miscellaneous expenses are estimated to be \$26,000.

### **8.12 Allotment**

It is expected that allotment of the Convertible Notes and granting of Options under the Offer will take place no more than five Business Days after the close of the Offer.

### **8.13 Privacy**

The Applicant may be asked to give personal information to IBX directly, and through the share registry, such as name, address, telephone and fax numbers, tax file number and account details. The Company and the share registry collect, hold and use that personal information to provide facilities and services to the Applicant and undertake administration. Access to information may be disclosed by the Company to its agents and service providers on the basis that they deal with the information under the *Privacy Act 1988* (Cth). The Company's privacy policy sets out how Shareholders may request access to and correction of their personal information held by or on behalf of the Company (by contacting the share registry), how Shareholders can complain about privacy related matters and how the Company responds to complaints.

### **8.14 Authorisation**

This Prospectus is issued by the Company. Each Director has consented to the lodgement of the Prospectus with ASIC.

Dated 21 May 2024

DocuSigned by:

*Robert Proulx*

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**Robert Proulx**

Chair

## Glossary

<b>AEST</b>	Means Australian Eastern Savings Time.
<b>Annual Report</b>	means the annual report of the Company for the financial year ended 31 December 2023 which includes audited financial statements for the financial year ended 31 December 2023 and the auditor's report, which was lodged with ASX and ASIC on 10 May 2024.
<b>Applicant</b>	means a person or entity who participated in the placement announced by the Company on 10 May 2024 and who submits an Application Form.
<b>Application Form</b>	means an application form in the form agreed between the Company to the Investor.
<b>Application Money</b>	means the money received by the Company under the Offer.
<b>ASIC</b>	means the Australian Securities and Investments Commission.
<b>ASX</b>	means ASX Limited ACN 008 624 691 or the securities exchange operated by it (as the case requires).
<b>Board</b>	means the board of directors of the Company.
<b>Business Day</b>	means a business day as defined in the Listing Rules.
<b>Closing Date</b>	means 5.00pm AEST on 29 May 2024.
<b>Company or IBX</b>	means Imagination Biosystems Limited ACN 616 305 027.
<b>Convertible Notes</b>	means the 'Convertible Notes' the subject of this Prospectus.
<b>Corporations Act</b>	means <i>Corporations Act 2001</i> (Cth).
<b>Directors</b>	means the directors of the Company.
<b>Existing Options</b>	means the Options already on issue in IBX and referred to in section 8.4 of this Prospectus.
<b>Existing Shares</b>	means the Shares already on issue in IBX.
<b>Exposure Period</b>	means the period of 7 days after the date of lodgement of this Prospectus with ASIC, which period may be extended by ASIC by not more than 7 days pursuant to section 727(3) of the Corporations Act.
<b>Listing Rules</b>	means the Listing Rules of ASX and any other rules of ASX which are applicable while the Company is admitted to the Official List of ASX, each as amended or replaced from time to time, except to the extent of any express written waiver by ASX.
<b>Mercer or Investor</b>	Mercer Street Global Opportunity Fund, LLC.
<b>Mercer Convertible Securities</b>	has the meaning given to that term in the 'Letter from the Chair'.
<b>Mercer Convertible Securities Agreement</b>	means the agreement between Mercer and the Company more particularly described in section 7.3 of this Prospectus.
<b>Offer or Placement</b>	means the placement of up to 242,000 Convertible Notes with a face value of \$1.00 per Convertible Notes to raise up to approximately \$220,000 (before costs) and the grant of 2,048,122 Options, under this Prospectus.
<b>Options</b>	means the 'Options' the subject of this Prospectus.
<b>Prospectus</b>	means this prospectus.
<b>Shareholders</b>	means shareholders in IBX.
<b>Shares</b>	means fully paid ordinary shares in IBX.
<b>Us or we</b>	means the Company.
<b>VWAP</b>	has the meaning given to the term 'volume weighted market average price' under the Listing Rules.
<b>You</b>	means the investors under this Prospectus.

## Corporate directory

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### **Company**

Imagion Biosystems Limited ACN 616 305 027  
Level 25, 525 Collins Street  
Melbourne, VIC 3000  
Tel: +1 855 564 5264  
[www.imagionbiosystems.com](http://www.imagionbiosystems.com)

### **Directors and executives**

Robert Proulx – Executive Chairman  
Mark Van Asten - Non-Executive Director  
Michael Harsh - Non-Executive Director  
David Ludvigson – Non-Executive Director

### **Company Secretary**

Melanie Leydin  
Tel: +61 3 9692 7222

### **Share Registry**

Boardroom Pty Ltd  
Tel: +61 2 9290 9600  
[www.boardroomlimited.com.au](http://www.boardroomlimited.com.au)

### **Lawyers**

K&L Gates  
25/525 Collins Street  
Melbourne VIC 3000

## Annexure A – Option Terms

**Capitalised terms that are not otherwise defined in this Prospectus, have the meaning given to them in the Convertible Security Agreement.**

1. The Options shall be issued for no cash consideration;
2. The exercise price of each Option is an amount equal to 140% of the 20-day VWAP per Share immediately prior to the date of issue of the relevant Subsequent Options (**Exercise Price**).
3. The Options will expire at 5:00pm AEST on the date that is 36 months after their date of issue (**Expiry Date**) unless earlier exercised.
4. The Options are not transferable except with the prior written consent of the Company.
5. The Options may be exercised at any time wholly or in part by delivering a duly completed form of notice of exercise together with payment for the Exercise Price per Option to the Company at any time on or after the date of issue of the Options and on or before the Expiry Date. Payment may be made as directed by the Company from time to time, which may include by cheque, electronic funds transfer or other methods.
6. The Options may be exercised at any time wholly or in part by delivering a duly completed form of notice of exercise together with payment for the Option Exercise Price per Option to the Company at any time on or after the date of issue of the Options and on or before the Expiry Date.
7. Upon the valid exercise of the Options and payment of the Exercise Price, the Company will within 3 Business Days issue fully paid ordinary shares ranking pari passu with the then issued ordinary shares.
8. The Company must either:
  - (a) within 5 Business Days of the issue of shares under 7 above, provide ASX with a written notice pursuant to section 708A(5) of the Corporations Act meeting the requirements of section 708A(6) of the Corporations Act, in a form, and containing the information, that is sufficient to permit secondary trading on the ASX of those shares (Cleansing Statement); or
  - (b) where unable to issue a Cleansing Statement, as soon as is reasonably practicable and in any event within 10 Business Days of issue of the resultant shares under 7 above, issue a prospectus or other form of disclosure document to enable those shares to be freely on-sold.
9. Option holders do not have any right to participate in new issues of securities in the Company made to shareholders generally. The Company will, where required pursuant to the Listing Rules, provide Option holders with notice prior to the books record date (to determine entitlements to any new issue of securities made to shareholders generally) to exercise the Options, in accordance with the requirements of the Listing Rules.
10. Option holders do not participate in any dividends unless the Options are exercised and the resultant shares of the Company are issued prior to the record date to determine entitlements to the dividend.
11. In the event of any reorganisation (including consolidation, subdivision, reduction or return) of the issued capital of the Company:
  - (a) the number of Options, the Exercise Price of the Options, or both will be reorganised (as appropriate) in a manner consistent with the Listing Rules as applicable at the time of reorganisation, but with the intention that such reorganisation will not result in any benefits being conferred on the holders of the Options which are not conferred on shareholders; and

- (b) subject to the provisions with respect to rounding of entitlements as sanctioned by a meeting of shareholders approving a reorganisation of capital, in all other respects the terms for the exercise of the Options will remain unchanged.

12. If there is a pro rata issue (except a bonus issue), the Exercise Price of an Option may be reduced according to the following formula:

$$O_n = O - \frac{E [P - (S + D)]}{N + 1}$$

Where:

$O_n$  = the new exercise price of the Option;

$O$  = the old exercise price of the Option;

$E$  = the number of underlying securities into which one Option is exercisable;

$P$  = the volume weighted average market price per security of the underlying securities during the five trading days ending on the day before the ex right date or the ex entitlements date;

$S$  = the subscription price for a security under the pro rata issue;

$D$  = dividend due but not yet paid on the existing underlying securities (except those to be issued under the pro rata issue); and

$N$  = the number of securities with rights or entitlements that must be held to receive a right to one new security.

13. If there is a bonus issue to the holders of shares in the Company, the number of shares over which the Option is exercisable may be increased by the number of shares which the Option holder would have received if the Option had been exercised before the record date for the bonus issue.
14. The terms of the Options shall only be changed if holders (whose votes are not to be disregarded) of ordinary shares in the Company approve of such a change. However, unless all necessary waivers of the Listing Rules are obtained, the terms of the Options shall not be changed to reduce the Exercise Price, increase the number of Options or change any period for exercise of the Options.
15. The Company does not intend to apply for listing of the Options on the ASX.
16. The Company shall apply for listing of the resultant Shares issued upon exercise of any Option.