

IMAGION BIOSYSTEMS LIMITED

(ASX: IBX)

28 January 2022

Quarterly Activity Report – quarter ending 31 December 2021

Q4 highlights:

- **IBXO listed options exercise completion delivering \$3.8 million to the Company**
- **New R&D and manufacturing facility completed**

MELBOURNE – Imagion Biosystems (ASX:IBX), a company dedicated to improving healthcare through the early detection of cancer, today released its Appendix 4C Quarterly Cashflow report and update on company activities for the quarter ending 31 December 2021 (Q4 FY2021).

Executive Chairman and CEO Bob Proulx said, “we ended the year on an upbeat note having had strong shareholder support in the exercise of options and four sites actively recruiting for the MagSense® HER2 breast cancer study with multiple patients having completed the study. We now start 2022 having moved into a new facility that greatly expands our R&D capabilities and adds manufacturing capacity to support the commercial development of our nanoparticle products.

Adding, “We feel the study is progressing in a positive direction and will provide material updates as they arise.”

Summary of activities in Q4

On 2 December 2021 the Company announced that it had received the maximum funds from the exercise of all 94,708,863 IBXO listed options raising over \$4.7 million since the options listed in November 2019. The additional cash supports our ongoing clinical study and allows further investment in our R&D pipeline.

The Company currently has 233,301,933 IBXOA listed options with an exercise price of \$0.03 due to expire in April 2023. This represents just under \$7.0 million of additional working capital for the Company should all IBXOA options be exercised prior to April 2023.

The new San Diego R&D facility was largely completed in the fourth quarter with the company taking occupancy right after the beginning of the new year. The new facility provides improved research capabilities as we work on expanding our product pipeline and increasing our nanoparticle production capacity to support the next phase of product commercial development.

Summary of Q4 Cash Flows

Imagion’s cash balance as at 31 December 2021 was \$13.4 million, an increase of \$1.4 million on the prior quarter. The Company also secured an additional \$3.8 million from the exercise of options delivering total 2021 receipts of \$5.5 million.

The Company reported an operating cash outflow of \$2.2 million in the quarter, similar to the prior quarter’s operating cash outflow and in line with the Company’s expectations.



There was an increase in research and development costs (due to increased Phase 1 clinical study costs), and an increase in staff costs (due to new hires). These were offset by a reduction in administration and corporate costs (due to the upfront payment of D&O insurance during the prior quarter).

As previously mentioned as the MagSense® Phase 1 clinical study progresses and the Company advances its development pipeline, research and development expenditures and staff costs are expected to increase in the coming quarters.

The Company also paid \$199k to related parties and their associates. These payments are related to director fees and executive director salaries.

-ENDS

About Imagination Biosystems

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

For further information please visit www.imaginationbiosystems.com

Authorisation & Additional information

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

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Appendix 4C

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

Name of entity

Imagion Biosystems Limited

ABN

42 616 305 027

Quarter ended ("current quarter")

31 December 2021

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	84	206
1.2 Payments for		
(a) research and development	(749)	(2,523)
(b) product manufacturing and operating costs	-	-
(c) advertising and marketing	(70)	(252)
(d) leased assets	-	-
(e) staff costs	(893)	(3,049)
(f) administration and corporate costs	(547)	(2,104)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	13
1.5 Interest and other costs of finance paid	(1)	(17)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	2,612
1.8 Other (provide details if material)	-	46
1.9 Net cash from / (used in) operating activities	(2,176)	(5,068)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	(103)	(219)
(d) investments	-	-
(e) intellectual property	-	-
(f) other non-current assets	-	(91)

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
2.2 Proceeds from disposal of:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	-	-
(d) investments	-	-
(e) intellectual property	-	-
(f) other non-current assets	-	-
2.3 Cash flows from loans to other entities	-	-
2.4 Dividends received (see note 3)	-	-
2.5 Other (provide details if material)	-	-
2.6 Net cash from / (used in) investing activities	(103)	(310)

3. Cash flows from financing activities		
3.1 Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2 Proceeds from issue of convertible debt securities	-	-
3.3 Proceeds from exercise of options	3,789	5,511
3.4 Transaction costs related to issues of equity securities or convertible debt securities	(4)	(6)
3.5 Proceeds from borrowings	-	-
3.6 Repayment of borrowings	(77)	(359)
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other (provide details if material)	-	-
3.10 Net cash from / (used in) financing activities	3,708	5,146

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	11,986	13,201
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(2,176)	(5,068)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(103)	(310)

Appendix 4C
Quarterly cash flow report for entities subject to Listing Rule 4.7B

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	3,708	5,146
4.5	Effect of movement in exchange rates on cash held	(21)	425
4.6	Cash and cash equivalents at end of period	13,394	13,394

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	13,394	13,394
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)	13,394	13,394

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	199
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

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

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

7. Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 Total financing facilities	-	-
7.5 Unused financing facilities available at quarter end		-
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(2,176)
8.2 Cash and cash equivalents at quarter end (item 4.6)	13,394
8.3 Unused finance facilities available at quarter end (item 7.5)	-
8.4 Total available funding (item 8.2 + item 8.3)	13,394
8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)	6.1
<i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>	
8.6 If item 8.5 is less than 2 quarters, please provide answers to the following questions:	
8.6.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer: N/A	
8.6.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer: N/A	
8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
Answer: N/A	
<i>Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.</i>	

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

28 January 2022

Date:

By the Board of Imagion Biosystems Limited

Authorised by:
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.