



## MagSense™ Technology

A New Clinical Diagnostic  
Technology for Targeted  
Early Detection of Cancer

## Company Update

December 2017

ASX:IBX

[www.imagionbiosystems.com](http://www.imagionbiosystems.com)

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# Investment Highlights

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## \$100 Billion

Annual global spending on cancer diagnosis in imaging and pathology.

## 8 Patents

Core technology covered in major markets through to 2029.

## “Printer & Ink” model

Product includes both the instrument and a diagnostic consumable.

## \$2 Billion

Addressable markets for first cancer targets:  
breast, prostate, ovarian.

Additional targets being explored.

## Platform Technology

Not limited to initial targets or cancer diagnostics.

Other potential opportunities include theranostics and reagents.

## Key Collaborations

Pre-clinical partnerships already under way with pre-eminent medical research institutes.



# Medical Imaging Markets

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- Big players positioning for growth and acquisitions – see our Dec Newsletter.  
<https://imaginationbiosystems.com/category/news/>
- Imagination's platform offers unique value proposition for medical imaging markets.

## GE's New Chief Sets Focus on Three Key Units

John Flannery's plans stick to health care, power and aviation but stop short of breakup



GE's John Flannery has been conducting a strategic review since he took over as CEO on Aug. 1. PHOTO: CHRISTOPHER GOODNEY/BLOOMBERG NEWS

By Thomas Gryta

Updated Nov. 17, 2017 7:25 p.m. ET

General Electric Co.'s **GE** **+0.22%** new leader plans to unveil a road map Monday for the conglomerate that will focus on three of its biggest business lines, but stops short of a breakup or more radical restructuring of the 125-year-old giant.

Chief Executive John Flannery, who has been conducting a strategic review since he took over on Aug. 1, is expected to focus on GE's aviation, power and health-care divisions, one person familiar with the matter said. The CEO will look to exit most of the rest of its operations.

GE would be pulling back from its transportation unit, one of the oldest and biggest makers of diesel locomotives, as well as GE Lighting, which traces its roots to Thomas Edison and makes LED bulbs and energy management sensors.

While the three divisions will be the core of GE, Mr. Flannery is expected to stress at a meeting Monday with investors and analysts that he will regularly evaluate the company's portfolio of businesses as part of how he leads the conglomerate, the person said.

The Boston-based company also plans to eventually shed its majority stake in Baker Hughes, which became a separate public company in July after merging with GE's oil and gas operations, this person said.

GE owns 63% of Baker Hughes, which had a market value of \$40 billion based on Friday's close. While it intends to exercise its option to exit Baker Hughes, the process hasn't started and would be subject to some discussion between the companies' boards. Under the current arrangement, GE is restricted from selling its stake for several years.

Mr. Flannery is expected to streamline GE's corporate functions, this person said. The company has about 24,000 people outside of its major divisions, in research, digital and headquarters functions. More research work will be moved into specific business units and software

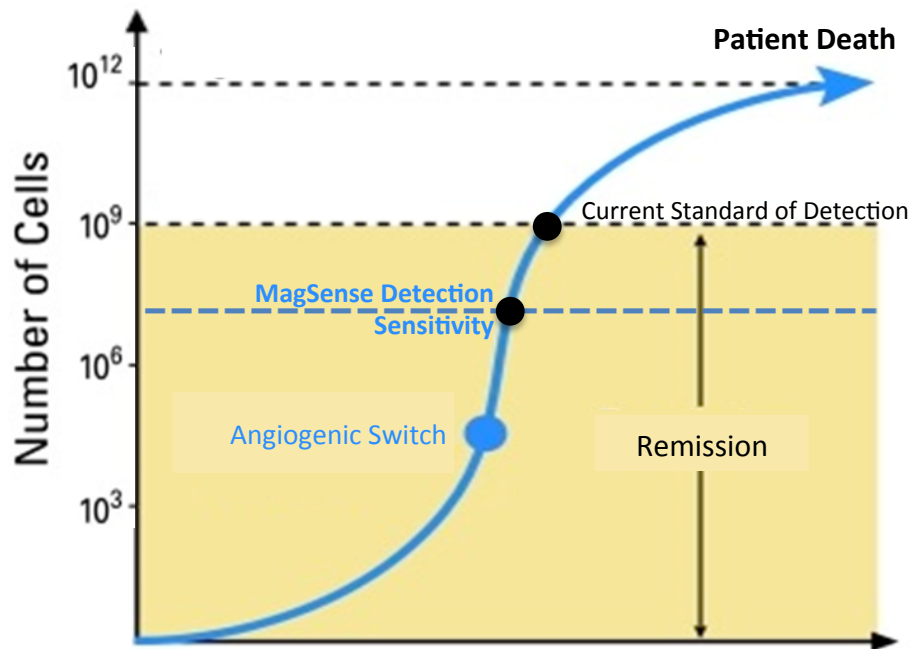
## Siemens Tees Up Health-Care IPO in One of Biggest European Deals in Years

Listing is part of CEO's efforts to focus company on narrower field of profitable businesses

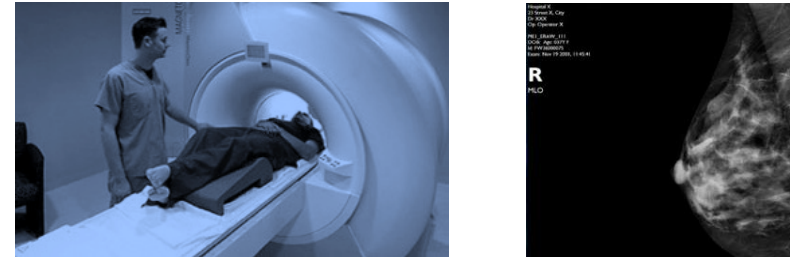


# The Unmet Medical Need

- Imaging methods can not differentiate benign from malignant tumors.
- Not sensitive enough to detect small tumors.
- Pathological assessment requires an invasive procedure.



## Imaging Methods



*Non-specific, Lack Sensitivity*

## Pathology



*Require Invasive Procedures*

- **Minimize need for surgical or biopsy procedures.**
- **Identify tumors at an earlier stage and reduce risk of metastases.**



# Key Development Activities

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1. Transfer nanoparticles to GMP qualified manufacturer
2. Test nanoparticle formulation for safety
3. Design instrument for clinical use
4. Establish clinical study sites and regulatory plan



# Nanoparticle Manufacturing

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- ✓ Contract manufacturer, ChemConnections, initiated in October 2017.
- ✓ Transfer of formulation and procedures underway.
- ❖ Pilot production of basic nanoparticles is promising.
- ❖ Preclinical safety studies expected Q2 2018 based on current schedule.



# Instrument Development

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- ✓ Contracted with Starfish Medical in August 2017.
- ✓ On track to complete Phase 1 of the development plan by end of year.
- ❖ Instrument **not** on critical path to first in human testing.





# Clinical and Regulatory Activities

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- ✓ Met with potential clinical study site clinicians Dec 7<sup>th</sup> at the San Antonio Breast Cancer Symposium to begin planning First-In-Human study.
- ❖ Early Feasibility First-in-Human clinical study moved forward to start by Q4 2018.
- ❖ FDA pre-submission planned for filing before year end; expect face to face with FDA in late Q1 2018.



# Advantages of MagSense™ Technology

## More Sensitive

- Can detect small tumors not readily detectable by most current imaging technologies.

## Specific

- Tumor-specific antibodies target and locate cancer cells.
- Non-cancerous tumors do not give a measurable signal.

## Reduces Patient Risks

- Reduces need for surgical procedures.
- Does not use radiation and uses weak magnetic field.
- Nanoparticles are made from known **bio-safe materials**

Method	MagSense Magnetic Relaxometry	MRI Magnetic Resonance Imaging	PET Positron Emission Tomography	Ultrasound	X-Ray/CT
Detection Threshold	< 10 million cells	10's Millions of cells	NA	Billions of cells	NA
Quantitative	Yes	Yes	No	No	No
Specificity	Yes	No	No	No	No

## Technology Costs Less to Make and Install

- MagSense instrument will **cost less** than conventional MRI or CT technologies ( ~ \$500K )
- Does not require expensive shielded environment (eliminates ~ \$1M in installation costs)

## Nanoparticle Test Provides Route to Reimbursement

- Each cancer specific nanoparticle formulation creates a new consumable test
- Nanoparticles provide **high gross margin recurring revenue** on installed base of instruments



# Shareholder Value Opportunities in IBX

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## Staging Breast Cancer

- Eliminates expense and risk of surgical biopsy procedure
- 240,000 HER2+ cases per year
- Establishes clinical utility of targeted nanoparticle detection platform

**\$250M  
Market**

## Primary Diagnosis & Recurrence

- Prostate Cancer
- Ovarian Cancer
- Other Breast Cancers
- Lung Cancer

**> \$4 Billion  
Market**

## Therapeutics

- Nanoparticle drug carrier
- Magnetic Hyperthermia

**> \$100 Billion  
Market**



# Business Fundamentals Summary

Valuation Factors	IBX's Business
Uniqueness of the device and extent of disruption of current medical practice	MagSense is <b>more sensitive</b> than current medical imaging and able to differentiate benign from malignant tumors
Strength of intellectual property	IBX <b>owns and controls the IP</b> for medical applications
Extent of clinical evidence reducing technology risk	Milestones drive to <b>reduce technical risk</b> and achieve clinical utility
Opportunity for revenue and profitability	The <b>markets are BIG</b> and even small market share achieves sizeable revenue and growth potential

## \* STRONG BOARD AND MANAGEMENT TEAM

## \* FOCUS ON MINIMIZING TECHNICAL RISK

## \* CLEAR PATH TO COMMERCIAL MARKETS

## \* SOUND FINANCIALS

- Current cash – A\$8.5M
- Quarterly cash burn projection ~ A\$1.3M plus project outsourcing costs
- Clean balance sheet - No debt; No convertible notes or warrants





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