



IMAGION BIOSYSTEMS LIMITED

(ASX: IBX)

31 October 2019

Quarterly Cashflow Report – Period ending 30 September 2019

MELBOURNE — Imagion Biosystems Limited (ASX: IBX) (the **Company**), a company dedicated to improving healthcare through the earlier detection of cancer, releases its Appendix 4C Quarterly Cashflow report and update on company activities for the quarter ending 30 September 2019 (Q3 FY19).

Imagion's cash balance as of 30 September 2019 was \$1.458m. During the quarter the company received A\$2M for an R&D tax rebate. Imagion has taken steps to reduce its expenditure and cash burn, reducing head count by one third. Subsequently the company has announced a capital raise, via a renounceable rights issue to raise a minimum of \$2 million and up to \$6.5 million. The funds raised will be used to fund the cost of a first-in-human study including the cost to manufacture material for use in the study.

Cost reduction measures taken have resulted in reduced in-house operational expenses which will be maintained for the foreseeable future depending on capital raised. Should sufficient capital be raised to proceed with the human study, the company anticipates an increase in expenditures with vendors and contractors as outlined in the use of funds communicated in the rights issue Prospectus.

Following receipt of breakthrough device designation from the FDA in early July, the company has proceeded with the application process to seek approval to undertake a human study. Dialogue with the FDA is ongoing, as per normal proceedings in this process, with the breakthrough device designation facilitating accelerated communication with the agency.

The company is now ready to scale up GMP manufacturing of the nanoparticle material to be used in the study. As previously reported, this is expected to take 7 to 8 months, and will commence once the company has secured funding.

Imagion also presented new data at the World Molecular Imaging Congress, which for the first time demonstrated the potential utility of its nanoparticles as an MRI contrast agent. This potentially opens up an additional commercial pathway, and supports the technology's effectiveness as a multi-modal imaging agent.

"We have been running hard and have made excellent progress towards the first-in-human clinical trial, despite working with limited cash resources. We have deployed a prudent cost management strategy, to ensure we are directing our resources towards the crucial activity and we have been transparent with our investors along the way," said CEO Bob Proulx.

"Importantly this has included undertaking much of the legwork to ensure that we can move into GMP batch manufacturing without delay, upon completion of our capital raise, announced earlier this week.

"We are strongly encouraged by the continued generation of positive pre-clinical data and the outstanding caliber of people that believe in and support Imagion's technology, including our long-standing partners and our recently appointed Scientific Advisory Board, which brings together some of the brightest and most respected minds in oncology and medical imaging fields.

"We appreciate the ongoing support of our shareholders, and anticipate that capital raise underway will provide funding sufficient to enable us to move forward with the first-in-human study - a major milestone expected to generate substantial investor and industry interest."

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About Imagion Biosystems

Imagion Biosystems is developing a new non-radioactive and safe diagnostic imaging technology. Combining biotechnology and nanotechnology the Company aims to detect cancer and other diseases earlier and with higher specificity than is currently possible. Imagion Biosystems listed on the Australian Securities Exchange (ASX) in June 2017.

For further information please visit www.imagionbiosystems.com

U.S. Media Contact:

Matthew Wygant
matthew@biotechwriting.com
+1-408-905-7630

Australian Media & Investor Relations:

Kyahn Williamson, WE Buchan
ImagionBiosystems@we-buchan.com
+61-3-9866-4722

Appendix 4C

Quarterly report for entities subject to Listing Rule 4.7B

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10, 01/09/16

Name of entity

Imagion Biosystems Limited

ABN

42 616 305 027

Quarter ended ("current quarter")

30 September 2019

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	80	357
1.2 Payments for		
(a) research and development	(629)	(2,099)
(b) product manufacturing and operating costs	-	-
(c) advertising and marketing	(16)	(32)
(d) leased assets	-	(1)
(e) staff costs	(775)	(2,223)
(f) administration and corporate costs	(368)	(906)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	2	15
1.5 Interest and other costs of finance paid	(1)	(3)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	2,062	2,062
1.8 Other (GST Refund)	13	75
1.9 Net cash from / (used in) operating activities	368	(2,755)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	-
(b) businesses (see item 10)	-	-
(c) investments	-	-

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
(d) intellectual property	-	-
(e) other non-current assets	-	-
2.2 Proceeds from disposal of:		
(a) property, plant and equipment	-	-
(b) businesses (see item 10)	-	-
(c) investments	-	-
(d) intellectual property	-	-
(e) 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	-	-

3. Cash flows from financing activities		
3.1 Proceeds from issues of shares	-	-
3.2 Proceeds from issue of convertible notes	-	-
3.3 Proceeds from exercise of share options	-	-
3.4 Transaction costs related to issues of shares, convertible notes or options	-	-
3.5 Proceeds from borrowings	-	-
3.6 Repayment of borrowings	(27)	(83)
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	(27)	(83)

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of quarter/year to date	1,140	4,367
4.2 Net cash from / (used in) operating activities (item 1.9 above)	368	(2,755)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4 Net cash from / (used in) financing activities (item 3.10 above)	(27)	(83)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	(23)	(71)
4.6	Cash and cash equivalents at end of quarter	1,458	1,458

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	1,458	1,140
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)	1,458	1,140

6. Payments to directors of the entity and their associates

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

Current quarter \$A'000
87
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7. Payments to related entities of the entity and their associates

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

Current quarter \$A'000
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8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	-	-
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		


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9. Estimated cash outflows for next quarter	\$A'000
9.1 Research and development	298
9.2 Product manufacturing and operating costs	-
9.3 Advertising and marketing	21
9.4 Leased assets	16
9.5 Staff costs	476
9.6 Administration and corporate costs	593
9.7 Other (provide details if material)	-
9.8 Total estimated cash outflows	1,404

10. Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)	Acquisitions	Disposals
10.1 Name of entity	-	-
10.2 Place of incorporation or registration	-	-
10.3 Consideration for acquisition or disposal	-	-
10.4 Total net assets	-	-
10.5 Nature of business	-	-

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.

Sign here: 
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Director

Date: 31 October 2019

Print name: Robert Proulx

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly 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 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.