

# IMAGION BIOSYSTEMS LIMITED

(ASX: IBX)

28 April 2022

## Quarterly Activity Report – quarter ending 31 March 2022

### Highlights:

- **MagSense® HER2 breast cancer study interim results released during the quarter**
- **Move to new R&D facility completed**
- **Sponsored Research Agreement executed with researchers at Massachusetts General Hospital**

MELBOURNE – Imagination 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 March 2022 (Q1 FY2022).

Executive Chairman and CEO Bob Proulx said, “we were pleased to provide an update on the MagSense® HER2 Breast Cancer Study with the announcement of interim results during the quarter. It has been exciting to begin accumulating patient data for our lead imaging agent and seeing the promising preliminary results. We are also pleased to be expanding our preclinical research programs with two new research agreements as we look to progress and expand the pipeline of imaging applications for our nanoparticle technology.”

### Summary of Activities

#### Interim data from first five patients shows MagSense® imaging agent is safe and well tolerated

During the quarter the Company, together with its Clinical Investigators and Medical Monitor, undertook an assessment of the first five test subjects to have completed the MagSense® HER2 Breast Cancer Phase I Study. The interim results were shared via an ASX announcement noting that the interim data supported the MagSense® HER2 imaging agent as being safe and well tolerated as used in the study. It was also noted that the imaging agent is able to reach the patient’s lymph nodes as confirmed by histology examination of tissue samples collected from the study subjects.

While these interim results do not provide sufficient information to draw conclusions about whether the imaging agent could be effective in determining nodal status, the Company reported that it believes that these preliminary results provided sufficient justification for the continuation of the study in Australia.

#### Completion of new R&D facility

It was noted in the prior Quarterly Activity Report (Jan 28, 2022) that the Company’s new R&D facility had largely been completed. The Company was able to take possession of the new facility in January and successfully move all R&D operations without significant disruption to product development programs. The new facility provides for expanded large scale nanoparticle synthesis capabilities, including the ability to implement Good Manufacturing Practices (GMP), which will be used to support the next phase of Imagination’s clinical product development and third-party commercial production opportunities.

#### Update on other pre-clinical initiatives

The prostate cancer project, partially funded by an Innovations Connections grant under the Entrepreneurs’ Programme of the Australian Government Department of Industry, Science, Energy and Resources has demonstrated encouraging results with a new PSMA targeting ligand similar to that used in radiopharmaceuticals. The preclinical research is being undertaken in-house and in collaboration with researchers at Monash University’s Biomedicine Discovery Institute.



Subsequent to quarter end, a Sponsored Research Agreement was executed with Massachusetts General Hospital with Dr. Matthew Rosen as Principal Investigator. The Sponsored Research Agreement will leverage the Center's extensive magnetic resonance imaging and spectroscopy facilities to characterize Imagination's super paramagnetic iron oxide nanoparticles and evaluate if they can be optimized for use in vascular, or other MR imaging applications, as an alternative to GBCA's.). Dr. Rosen directs the Low-Field MRI and Hyperpolarized Media Laboratory at the A.A. Martinos Center and is a leader in low and ultra-low field MRI.

While the Company's MagSense® technology aims to use targeted magnetic nanoparticles to detect specific types of diseased tissue, such as cancers, the purpose of this research is to evaluate the potential to leverage the Company's underlying expertise with magnetic nanoparticles to develop a non-targeted imaging agent as aid in diagnostic imaging of cardiovascular diseases.

### **Summary of cash flows**

Imagination's cash balance at 31 March 2022 was \$10.6 million, a decrease of \$2.8 million from the prior quarter. The Company reported an operating cash outflow of \$2.3 million in the quarter, similar to the prior quarter's operating cash outflow and in line with the Company's expectations.

Both research and development costs and administration and corporate costs increased slightly, and were offset by reduced staff costs (due to timing). The Company had the benefit of the first two months in its new premises in San Diego being rent free (excluding on-costs).

As previously mentioned as the MagSense® HER2 Breast Cancer Study progresses and the Company advances its development pipeline, research and development expenditures and staff costs are expected to increase in the coming quarters. Administration and corporate costs will also rise mainly due to the increased rental costs associated with the new facility.

The Company also paid \$144k 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](http://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 March 2022

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (3 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	95	95
1.2 Payments for		
(a) research and development	(839)	(839)
(b) product manufacturing and operating costs	-	-
(c) advertising and marketing	(40)	(40)
(d) leased assets	-	-
(e) staff costs	(988)	(988)
(f) administration and corporate costs	(490)	(490)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	(15)	(15)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(2,277)</b>	<b>(2,277)</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	(182)	(182)
(d) investments	-	-
(e) intellectual property	-	-
(f) other non-current assets	-	-

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 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)	-	-
<b>2.6 Net cash from / (used in) investing activities</b>	<b>(182)</b>	<b>(182)</b>

<b>3. Cash flows from financing activities</b>		
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	-	-
3.4 Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5 Proceeds from borrowings	-	-
3.6 Repayment of borrowings	(53)	(53)
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other (provide details if material)	-	-
<b>3.10 Net cash from / (used in) financing activities</b>	<b>(53)</b>	<b>(53)</b>

<b>4. Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1 Cash and cash equivalents at beginning of period	13,394	13,394
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(2,277)	(2,277)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(182)	(182)

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

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (3 months) \$A'000</b>
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(53)	(53)
4.5	Effect of movement in exchange rates on cash held	(253)	(253)
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>10,629</b>	<b>10,629</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	10,629	13,394
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>13,394</b>	<b>13,394</b>

<b>6.</b>	<b>Payments to related parties of the entity and their associates</b>	<b>Current quarter \$A'000</b>
6.1	Aggregate amount of payments to related parties and their associates included in item 1	144
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

<b>7. Financing facilities</b>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
<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)	-	-
<b>7.4 Total financing facilities</b>	<b>-</b>	<b>-</b>
<b>7.5 Unused financing facilities available at quarter end</b>		<b>-</b>
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.		

<b>8. Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1 Net cash from / (used in) operating activities (item 1.9)	(2,277)
8.2 Cash and cash equivalents at quarter end (item 4.6)	10,629
8.3 Unused finance facilities available at quarter end (item 7.5)	-
8.4 Total available funding (item 8.2 + item 8.3)	10,629
<b>8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)</b>	<b>4.7</b>
<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 April 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.