IMAGION BIOSYSTEMS LIMITED

ABN: 42 616 305 027

2023 Annual Report - Year Ended 31 December 2023

Letter from the Chairman

Dear Shareholders,

In 2023 Imagion Biosystems completed the world's first clinical study for a molecular MRI imaging agent. Our novel MagSense® technology has now been shown in actual human patients to have the potential to provide radiologists with valuable information to aid in the diagnosis and staging of breast cancer. Additionally, we made substantive progress in the development of two additional imaging agents, one for prostate cancer and one for ovarian cancer, with both now ready to be advanced towards clinical studies. It is clear that our MagSense® nanoparticle technology is a platform that can change the way we look at cancer.

Unfortunately, that success has been overshadowed by the constraints of the capital markets. We have taken aggressive steps to cut costs and restructure the organization and with the support of Mercer Street Capital are now positioned to move forward to realise the value of the technology we have developed.

I want to thank our shareholders for their patience and for your continued support.

I look forward to updating you on our progress.

Robert Proulx
Executive Chairman
Imagion Biosystems Limited

Directors' Report

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of Imagion Biosystems Limited (referred to hereafter as the 'Company' or 'parent entity' or 'Imagion') and the entities it controlled at the end of, or during the year ended 31 December 2023.

Directors

The following persons were directors of Imagion Biosystems Limited during the whole of the financial year and up to the date of this report, unless otherwise stated:

Mr Robert Proulx

Executive Chair

Robert has been Chair of Imagion Biosystems since February 2015. Previous employment experience includes President / General Manager for Silicon Biosystems and a career in marketing and sales management with more than 25 years experience in the computer, life science and medical diagnostics industries. Some of Robert's other relevant experience include: Vice President Marketing and Sales for Nanogen Inc.; Senior Vice President of Marketing and Business Development at Gene Logic; and General Manager, Life Sciences at IGEN International Inc. Robert holds an M.A. and B.A. from The State University of New York at Albany and an Executive MBA from the Penn State Smeal College of Business.

Mr Michael Harsh

Non-Executive Director

Michael is a co-founder and Chief Product Officer of Terapede Systems, a digital X-ray startup that focuses on developing an ultra-high resolution medical flat panel X-ray detector. Prior to co-founding Terapede Systems in 2015, Mr. Harsh had a 36-year long career with General Electric, including serving as Global Technology Leader – Imaging Technologies at the GE Global Research Center and culminating with him serving as Vice President and Chief Technology of GE Healthcare. Additionally, he serves on the boards of directors of Endra Life Sciences (NASDAQ: NDRA), EmOpti Inc. and Compute Health Acquisition Corp (NYSE:CPUH). He had previously served as a director for FloDesign Sonics until its acquisition by MilliporeSigma, a division of the Merck Group. Mr. Harsh is a graduate of Marquette University, where he earned a bachelor's degree in Electrical Engineering. He holds numerous U.S. patents in the field of medical imaging and instrumentation. In 2008, Mr. Harsh was elected to the American Institute for Medical and Biological Engineering College of Fellows for his significant contributions to the medical and biological engineering field.

Mr David Ludvigson

Non-Executive Director

David is currently a director (was formerly President & CEO) af Nanomix, a point-of-care diagnostic medical device company. David is a financial and operating executive with over 35 years of international experience in life sciences and technology companies including Biogen (formerly IDEC Pharmaceuticals), Matrix Pharmaceutical, Nanogen, and MIPS Computer Systems. His experience over 15 years in the diagnostics arena has led numerous new product efforts from concept to market launch. David has conducted many successful strategic transactions including multiple acquisitions, corporate partnerships, technology and intellectual property licensing agreements, and OEM relationships and his financing experience includes venture capital, corporate, mezzanine, lease, bank credit line, LBO, IPO and secondary public sources.

Ms Jovanka Naumoska

Non-Executive Director

Jovanka is an Australian-qualified corporate lawyer with board-level experience in legal and regulatory issues pertaining to medical imaging technology. Jovanka was formerly a non-executive director of Security Matters Limited (ASX:SMX) and serves Australian scientific development organisations in an expert capacity on matters relating to corporate law, business operations, intellectual property development and regulatory compliance. Jovanka resigned from the consolidated entity on 2 May 2024.

Mr Mark Van Asten

Non-Executive Director

Mark has over 30 years of experience in the medical diagnostics and life sciences industry. Much of this time has been in international business development, strategic planning and introduction of new technology. Through Diagnostic Technology, a company he founded, he has been responsible for the development and introduction of a number of innovative technology platforms and technologies into mainstream healthcare use, including HPV DNA testing for cervical cancer screening and the molecular monitoring for both viral infections and cancer treatments. He holds an Adjunct Senior Lectures position at the School of Biotechnology and Biomolecular Science, University of NSW where he has collaborated on a number of research projects related to biosynthetic pathways in bacteria.

Ms Dianne Angus

Non-Executive Director

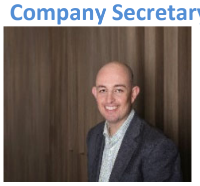
Dianne has worked as a senior executive within the biotechnology, medtech, agritech and healthcare sectors for over twenty years and currently serves as non-executive Chair of Argenica Therapeutics Limited (ASX: AGN) and non-executive director of Neuren Pharmaceuticals Limited (ASX: NEU) and Cyclopharm Limited (ASX:CYC) as well as being a member of the Deakin University Council. She has built competitive and differentiated product portfolios, from investment in innovative research and product development to commercialisation and market entry. Dianne has created many global industry partnerships to accelerate asset development, financing and provide reputational validation & endorsement. With twenty years' experience in ASX and NASDAQ listed companies, Dianne has expertise in corporate governance, capital raising and stakeholder engagement within the listed capital market sector. Dianne holds a B.Sc. (Ed), B.Sc. (Hons), M.(Biotechnology) and is a registered patent & trade mark attorney. Dianne resigned from the consolidated entity on 2 May 2024.

Dr Isaac Bright

Managing Director

Isaac was appointed as Managing Director on 14 November 2023 after joining Imagion as Chief Executive Officer on 20 June 2023. Isaac resigned from the consolidated entity on 15 January 2024.

Company Secretary



Mr Geoff Hollis

Company Secretary

Prior to joining Imagion in December 2020 Geoff spent over 10 years in ASX listed companies as CFO and Company Secretary. Geoff commenced his career with almost 10 years at leading Melbourne based accounting and business advisory firm, Pitcher Partners. Geoff is experienced in capital and debt raisings along with ongoing investor relations function in addition to other CFO and Company Secretarial experience required for an ASX listed entity on a growth journey. Geoff is also a member of the Corporate Governance Institute and Chartered Accountants Australia and New Zealand. Geoff resigned from the consolidated entity effective 10 May 2024.

Principal activities

During the financial year the principal continuing activities of the consolidated entity consisted of: Nanotechnology; Biotechnology; Cancer Diagnostics; and Medical Imaging using Magnetic Resonance and Superparamagnetic Relaxometry.

Dividends

There were no dividends paid, recommended or declared during the current or previous financial year.

Review of operations

Operating loss for the year of $12,473,916 (2022: $9,807,208 loss) was materially in line with expectations and increased from the prior year mainly due to increased expenditure in relation to preparation of the HER2 Breast Cancer imaging agent for IND filing, refer below for further discussion.

Revenue and other income

Total revenue increased by $1,899,831 to $4,970,756 (2022: $3,070,925).

Revenue and Other Income comprised income generated through sales of nanoparticles manufactured by the consolidated entity to customers.

Total receipts from sales of super-paramagnetic iron oxide nanoparticles over the year increased by $609,508 to $1,082,937 (2022: $473,429). These sales were undertaken directly through the consolidated entity and includes sales to New Phase, an Israeli-based company, for the exploratory use of their SaNP hyperthermia treatment as well as other sales to another key customer.

The consolidated entity received its 2022 research and development tax incentive claim $3,534,075 during the year. This was materially higher than the prior claim of $2,500,966 reflecting increased activity of the business during 2022.

Operating expenses

Total expenses increased by $4,566,539 to $17,444,672 (2022: $12,878,133). Included in the increase are non-cash related costs (share based payments, depreciation, foreign exchange loss, fair value loss and notional interest expenses) of $2,372,935 (2022: $1,936,981).

Research and development expenses

Research and development expenses increased by $1,634,741 to $5,250,592 (2022: $3,615,851). The increase is mainly due to expenses relating to the MagSense® HER2 Breast Cancer program. Phase 1 study expenses reduced as the study was completed and closed in the second-half of the year but there were increases in other costs as the consolidated entity proceeded towards an IND submission to support a phase 2 study in the United States. Costs were associated with the commencement of collecting additional non clinical and clinical data (pharmacokinetics); and commencement of manufacturing additional MagSense® HER2 imaging agent material to support a US Phase 2 study.

Employment expenses

Employment expenses increased by $1,376,192 to $6,239,698 (2022: $4,863,506). In addition to salary increases and promotions in the ordinary course of business the consolidated entity in 2022 increased its organisational capabilities with key hires including: clinical operations employees to increase clinical operations capabilities related to the consolidated entity's plans for the next phase of clinical development and; operations employees to improve manufacturing and quality capabilities in support of clinical development plans and external sales; establishing a quality team and a supporting employee to support clinical operations and manufacturing. These 2022 hires predominantly accounted for the increase in costs for the full 2023 fiscal-year. In October and then again in December of 2023 the consolidated entity reduced its workforce significantly, these reductions, in addition to the resignation of former CEO Dr. Isaac Bright in January 2024, will result in significantly reduced employment expenses in 2024.

Liquidity

The consolidated entity had cash at 31 December 2023 of $0.23 million. In 2024 up to the date of this report the consolidated entity has received $0.9 million in nanoparticle revenues. The consolidated entity expects to receive its research and development tax incentive of $0.4 million in the second quarter of 2024.

The consolidated entity has been pursuing a wide range of strategic financial and restructuring options while undertaking significant cost reduction measures since October 2023. The cost reduction measures include a significantly reduced workforce, no director fees and cessation of nanoparticle manufacturing whilst the consolidated entity seeks a pathway to capitalization. At this time, the expressions of interest ranging from refinancing, partnering or acquisition have yet to materialize to change the consolidated entity's financial position. As referred to in note 1(b) the consolidated entity is in negotiation with Mercer for further funding up to $2.5 million, including receiving immediate funding of $220,000.

If the Mercer negotiations don't result in a positive outcome or no partnering or acquisition offers are resolved, the Company will need to cease operation.

Clinical development

MagSense® HER2 Breast Cancer Program

The MagSense® HER2 imaging agent provides potentially new information for radiologists when assessing HER2 breast cancer which is not available through conventional imaging methods. During the year the consolidated entity announced that an independent blinded review by a panel of expert breast cancer radiologists corroborated the consolidated entity's previously reported positive findings from its MagSense® HER2 breast cancer phase 1 study. The radiologists ascertained that the MagSense® HER2 imaging agent produces a change in Magnetic Resonance Image (MRI) contrast and that the contrast in nodes highly suspicious for tumour is distinctly different from the MRI contrast seen in non-involved nodes. The independent reviews are consistent with the consolidated entity's previous assertion that the MagSense® imaging agent potentially provides new information for the radiologist not available through conventional methods, like ultrasound, and has the potential to aid in the clinical assessment of nodal metastasis in HER2 positive breast cancer.

As of December 2023, the consolidated entity had successfully completed its first-in-human phase 1 study for the MagSense® HER2 imaging agent and reported results at a global breast cancer forum. The consolidated entity anticipates it will need an additional ~$1.0 million of capital to continue the progression of the cancer imaging agent towards an IND submission for the next phase of clinical testing. At present there is no activity on the Breast Cancer Program due to the current cash and funding limitations.

MagSense® Prostate Cancer Program
The prostate cancer project continued during the year with the consolidated entity securing a second grant of $50,000 under the Entrepreneurs' Programme of the Australian Government Department of Industry, Science, Energy and Resources. The consolidated entity used the first grant in 2021 to support its early preclinical research efforts for prostate cancer detection in collaboration with researchers at Monash University. The second grant is being used to continued that program, building on the preclinical results that were reported at the World Molecular Imaging Conference in September 2022. In addition to researching prostate cancer the researchers at Monash University are also looking at the use of the consolidated entity's targeted nanoparticle formulation to detect other forms of cancer that express the target antigen, such as triple negative breast cancer. The prostate cancer imaging agent is now ready pre IND-enabling studies which will only occur when the consolidated entity is appropriately resourced.

MagSense® Ovarian Cancer Program
The ovarian cancer project continued during the year with the consolidated entity presenting two scientific posters related to the consolidated entity's ovarian cancer detection program at the Annual Association of Cancer Research in Florida. The ovarian cancer imaging agent is now ready pre IND-enabling studies which will only occur when the consolidated entity is appropriately resourced.

MagSense® Brain Cancer Program
In 2021 the consolidated entity initiated a collaboration with Patrys Limited (ASX: PAB) to explore combining the consolidated entity's MagSense® nanoparticle technology with Patrys' DNA-targeting molecules to develop an imaging agent for hard-to-diagnose cancers such as brain cancer.

In 2023 the consolidate entity and Patrys jointly expanded the collaboration through and engagement with The University of Sydney to further explore the potential for a MagSense® imaging agent to detect brain cancers using the University of Sydney's expertise in models of Glioblastoma Multiforme. The results of the studies were received in early 2024 and indicate that further development and optimization of the imaging agent is required. No further work on this program is planned until funding is available.

MagSense® Pancreatic Cancer Program
In August 2023, a Memorandum of Understanding (MOU) was executed with Prestige Biopharma, a biopharmaceutical company specializing in innovative antibody therapies. Together, Imagion and Prestige Biopharma will jointly pursue the development of the world's first non-invasive early detection diagnosis and staging platform for pancreatic cancer. Combining MagSense® molecular MRI and Prestige Biopharma's PAUF-based antibody drug, PBP1510, the partnership aims to accelerate accurate diagnosis and therapeutic intervention. The MOU covers preclinical feasibility research that should be completed in the short-term. Should the research produce favourable results, both companies may then agree to expand the collaboration to further advance the technologies.

Outlook
Refer to the significant changes in state of affairs and matters subsequent to the end of the financial year below.

Significant changes in state of affairs
The consolidated entity has significantly reduced staff and paused all research and development activities due to a lack of funding. Before undertaking any further development efforts the company will need sufficient capital resources to rebuild staff and/or secure contractors. Without an inflow of capital the consolidated entity has material uncertainty as to whether the consolidated entity will continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the Annual Report. Refer to note 1(b) for further discussion in relation to going concern considerations.

Matters subsequent to the end of the financial year

On 15 January 2024 the consolidated entity's former CEO, Dr Isaac Bright, resigned with immediate effect. Mr Bob Proulx, the consolidated entity's executive chairman has assumed CEO duties on an interim basis.

On 12 March 2024 the consolidated entity executed a recapture agreement with its landlord, BRE-BMR Oberlin LP to effectively terminate the consolidated entity's premises lease. Subsequently on 30 April 2024 the consolidated entity vacated its premises in accordance with the Recapture Agreement. The consolidated entity is currently operating virtually.

In February March and April 2024 the consolidated entity further reduced operating expenses through further staff reductions and has taken steps to reduce other operating costs going forward.

On 9 May 2024 the consolidated entity and Mercer executed a drawdown notice for a subsequent investment amount of $220,000 to be utilised for immediate working capital expenses. The effective closing date pursuant to the Convertible Securities Agreement is expected to be 16 May 2024.

The consolidated entity has received a further $0.9 million of nanoparticle revenue in the first four months of 2024, these funds have been used to remunerate staff and to meet essential business expenses. As at the date of this report no material further revenues have been secured. The consolidated entity is not anticipating any further material nanoparticle revenues in the short-term.

On 2 May 2024 Dianne Angus and Jovanka Naumoska resigned as directors with immediate effect.

Given the lack of liquidity and staff reductions the consolidated entity has paused all other research and development activities including proceeding towards an IND filing for its MagSense HER2 Breast Cancer program.

Likely developments and expected results of operations

The consolidated entity has significantly reduced staff and paused all research and development activities due to a lack of funding. Before undertaking any further development efforts the company will need sufficient capital resources to rebuild staff and/or secure contractors. Without an inflow of capital the consolidated entity has material uncertainty as to whether the consolidated entity will continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the Annual Report. Refer to note 1(b) for further discussion in relation to going concern considerations.

Environmental regulation

The Consolidated Entity is not subject to any significant environment regulation under Australian Commonwealth or State Law.

Information on Directors

Name and title:	**Mr Robert Proulx** (Executive Chair)
Qualifications:	- Master of Arts and Bachelor of Arts, The State University of New York at Albany; - Executive Master of Business Administration, Penn State Smeal College of Business.
Expertise and experience:	Robert 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.
Other current directorships:	None
Former directorships (last 3 years):	None
Membership of committees:	None
Interest in shares:	154,082 shares
Interest in options:	150,000 options
Interest in rights:	Nil
Contractual rights to shares:	Nil

Name and title:	**Mr Michael Harsh** (Non-Executive Director)
Qualifications:	- Bachelor's degree in Electrical Engineering, Marquette University
Expertise and experience:	With over 36 years' service to GE, mostly with GE Healthcare on his résumé, Michael Harsh is extraordinarily fluent in the complex processes of transforming high-potential platform technologies into successful medical diagnostic products.
Other current directorships:	ENDRA Life Sciences (2016 – present); EmOpti, Inc. (2015 – present); Compute Health Acquisition Corp (2021-present).
Former directorships (last 3 years):	NociMed (2019-2020).
Membership of committees:	Audit and Risk Committee, Remuneration and Nomination Committee
Interest in shares:	6,500 shares
Interest in options:	12,500 options
Interest in rights:	Nil
Contractual rights to shares:	Nil

Name and title:	**Mr David Ludvigson** (Non-Executive Director)
Qualifications:	- Bachelor of Science in Accounting, University of Illinois - Masters in Accounting Science, University of Illinois.
Expertise and experience:	David 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.
Other current directorships:	China Stem Cells Ltd (2010-present); Nanōmix Inc. (2014-present); One BioMed PTE Ltd (2021-present).
Former directorships (last 3 years):	None
Membership of committees:	Audit and Risk Committee, Disclosure Committee
Interest in shares:	13,625 shares
Interest in options:	12,500 options
Interest in rights:	Nil
Contractual rights to shares:	Nil

Name and title:	**Ms Jovanka Naumoska** (Non-Executive Director)
Qualifications:	- Bachelor of Science degree, University of Wollongong; - Bachelor of Law degree and the Graduate Diploma in Legal Practice, University of Wollongong; -Graduate Diploma in Applied Corporate Governance, Governance Institute of Australia.
Expertise and experience:	Jovanka is an Australian-qualified corporate lawyer with board-level experience in legal and regulatory issues pertaining to medical imaging technology. Jovanka serves Australian scientific development organisations in an expert capacity on matters relating to corporate law, business operations, intellectual property development and regulatory compliance.
Other current directorships:	None
Former directorships (last 3 years):	Security Matters Limited; National Accreditation Authority for Translators and Interpreters
Membership of committees:	Disclosure Committee
Interest in shares:	7,313 shares
Interest in options:	12,500 options
Interest in rights:	Nil
Contractual rights to shares:	Nil

Name and title:	**Mr Mark Van Asten** (Non-Executive Director)
Qualifications:	- Bachelor of Science, University of New South Wales
Expertise and experience:	As 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.
Other current directorships:	None
Former directorships (last 3 years):	Cimtech Limited
Membership of committees:	Audit and Risk Committee, Remuneration and Nomination Committee
Interest in shares:	15,329 shares
Interest in options:	12,500 options
Interest in rights:	Nil
Contractual rights to shares:	Nil

Name and title:	**Ms Dianne Angus** (Non-Executive Director)
Qualifications:	- Bachelor of Science (Hons), University of Melbourne; Masters in Biotechnology, Monash University.
Expertise and experience:	Dianne has worked as a senior executive or director within the biotechnology, medtech, agritech and healthcare sectors for over twenty years. With numerous years' experience in ASX and NASDAQ listed companies, Dianne has expertise in corporate governance, capital raising and stakeholder engagement within the listed capital market sector.
Other current directorships:	Neuren Pharmaceuticals Limited; Cyclopharm Limited; Argenica Therapeutics Limited.
Former directorships (last 3 years):	None
Membership of committees:	Remuneration and Nomination Committee, Disclosure Committee
Interest in shares:	8,085 shares
Interest in options:	12,500 options
Interest in rights:	Nil
Contractual rights to shares:	Nil

Dr Isaac Bright resigned on 15 January 2024 and has no shareholding or rights to any options or rights.

Company secretary

Geoff is a member of Chartered Accountant Australia and New Zealand, holds a Graduate Diploma in Applied Corporate Governance from the Governance Institute of Australia and a Bachelor of Commerce from Deakin University.

Geoff has 75,000 options which are subject to prescribed vesting conditions.

Meetings of directors

The number of meetings of the company's Board of Directors ('the Board') and of each Board committee held during the year ended 31 December 2023, and the number of meetings attended by each director were:

	Board		**Audit & Risk Management Committee**		**Remuneration & Nomination Committee**	
	No. of meetings eligible to attend	Attended	No. of meetings eligible to attend	Attended	No. of meetings eligible to attend	Attended
Mr Robert Proulx	8	7	-	-	-	-
Mr Michael Harsh	8	8	2	2	3	3
Mr David Ludvigson	8	8	2	2	-	-
Ms Jovanka Naumoska	8	7	-	-	-	-
Mr Mark Van Asten	8	7	2	2	3	3
Ms Dianne Angus	8	8	-	-	3	3
Dr Isaac Bright	1	1				

Remuneration Report (audited)

The remuneration report details the key management personnel remuneration arrangements for the consolidated entity, in accordance with the requirements of the *Corporations Act 2001* and its Regulations.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including all directors.

The remuneration report is set out under the following main headings:
- Principles used to determine the nature and amount of remuneration;
- Details of remuneration;
- Service agreements;
- Share-based compensation;
- Additional information; and
- Additional disclosures relating to key management personnel.

Principles used to determine the nature and amount of remuneration

(a) The objective of the consolidated entity's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with the achievement of strategic objectives and the creation of value for shareholders. The Board of Directors ('the Board') ensures that executive reward satisfies the following key criteria for good reward governance practices:
- Having strategic objectives as a core component of the reward framework design;
- Focusing on sustained growth in shareholder wealth, which may comprise growth in share price, increasing opportunities for the consolidated entity as well as focusing the executive on key non-financial drivers of value;
- Alignment of executive compensation to performance; and
- Acceptability to shareholders.

(b) The performance of the consolidated entity depends on the quality of its directors and executives. The remuneration philosophy is to attract, motivate and retain high performance and high-quality personnel. Accordingly, the reward framework should seek to enhance executives' interests by:
- Rewarding capability and application of relevant experience;
- Being competitive and providing a reasonable framework with regard to applicable industry standards;
- Reflecting competitive rewards for contribution to growth in shareholder wealth; and
- Providing a clear and transparent structure for earning rewards.

The Remuneration and Nomination Committee reviews, recommends and reports to the Board on remuneration and performance appraisal policies and practices.

In accordance with best practice corporate governance, the structure of non-executive director and executive director remuneration are treated separately.

Non-executive director's remuneration
Fees and payments to non-executive directors reflect the demands and responsibilities of their role. Non-executive directors' fees and payments are reviewed annually by the Board. The Board may, from time to time, receive advice from independent remuneration consultants to ensure non-executive directors' fees and payments are appropriate and in line with applicable industry standards. The directors suspended non-executive directors fees 1 December 2023 given the consolidated entity's financial position.

ASX listing rules require the aggregate non-executive director's remuneration be determined periodically by a general meeting. At the 2021 Annual General Meeting the non-executive directors fee pool was increased to $450,000 (from $250,000). The fee pool:

- More closely aligns to fee pools for non-executive directors of comparable companies;
- Provides greater flexibility for the consolidated entity to attract and retain non-executive directors of a high calibre; and
- Provides headroom for future adjustments to non-executive directors fees in line with changing market conditions and to reflect the increasing demands of non-executive directors.

Executive remuneration
The consolidated entity aims to reward executives based on their position and responsibility, with a level and mix of remuneration which has both fixed and variable components.

The executive remuneration and reward framework has five components:

- Base pay and non-monetary benefits;
- Short-term performance incentives;
- Share-based payments;
- Health care benefits (applicable to US based personnel); and
- Other remuneration such as superannuation and long service leave.

The combination of these components comprises the executive's total remuneration.

The CEO consults with the Remuneration and Nomination Committee in relation to executive remuneration. Executive fixed remuneration, consisting of base salary and non-monetary benefits, are reviewed annually based on individual and business performance, the overall performance of the consolidated entity and comparable market remunerations.

The short-term incentives ('STI') program is designed to align short-term organisational goals with the short-term performance hurdles of executives. STI payments are granted to executives based on specific annual targets and key performance indicators ('KPI's') being achieved. No STI payments were proposed or paid during the financial year to executives.

The long-term incentives ('LTI') include share-based payments. Shares are awarded to executives over a period of three or four years based on strategic objectives and long-term incentive measures. These include increase in shareholders' value relative to the entire market and the increase compared to the consolidated entity's direct competitors.

CEO and Managing Director remuneration
Dr Isaac Bright's salary package was determined after a thorough market review looking at comparable listed companies in both Australia and the USA (where Dr Bright was based). There is currently no remuneration being paid to anyone in the capacity of CEO as Mr Proulx has resumed these duties with his fees currently suspended along with the other directors.

Details of remuneration
Details of the remuneration of key management personnel of the consolidated entity are set out in the following tables.
The key management personnel of the consolidated entity were: Non-Executive Directors; Executive Director and CEO (part year) - Robert Proulx; CEO and Managing Director (part year) - Isaac Bright; Chief Development Officer (part year) - Yalia Jayalakshmi; and Chief Financial Officer - Geoff Hollis.

	Short-term benefits			Share-based payment		
2023	**Cash salary &**	**Cash bonus**	**Non-monetary**	**Equity-settled shares**	**Equity-settled options**	**Total**
	$	$	$	$	$	$
Non-Executive Directors						
Michael Harsh[(1)]	46,564	-	-	-	-	46,564
David Ludvigson[(1)]	46,564	-	-	-	-	46,564
Jovanka Naumoska[(1)]	41,352	-	-	-	-	41,352
Mark Van Asten[(1)]	41,352	-	-	-	-	41,352
Dianne Angus[(1)]	41,352	-	-	-	-	41,352
Other Management /						
Robert Proulx[(2)]	391,108	-	-	14,589	3,604	409,301
Isaac Bright[(3)]	387,448	-	-	-	57,111	444,559
Other Key Management						
Yalia Jayalakshmi[(4)]	414,209	-	-	68,908	61,572	544,689
Geoff Hollis	308,250	-	-	96,110	23,729	428,089
Total	1,718,199	-	-	179,607	146,016	2,043,822

[(1)] Non-Executive Directors fees were suspended on 1 December 2023.
[(2)] Mr Proulx transitioned from Executive Director to Non-Executive Director effective 31 July 2023. Remuneration reflected above included salary and wages plus directors fees up until they were suspended on 1 December 2023.
[(3)] Dr Bright was appointed CEO on 20 June 2023 and to Managing Director on 14 November 2023.
[(4)] Dr Jayalakshmi resigned effective 30 September 2023. Per the terms of her employment agreement she is owed six months severance of $225,766 which is not yet paid (as at the date of this report) and is included within trade and other payables.

	Short-term benefits			Share-based payment		
2022	**Cash salary &**	**Cash bonus**	**Non-monetary**	**Equity-settled shares**	**Equity-settled options**	**Total**
	$	$	$	$	$	$
Non-Executive Directors						
Michael Harsh	48,582	-	-	-	735	49,317
David Ludvigson	48,582	-	-	-	735	49,317
Jovanka Naumoska	45,102	-	-	-	735	45,837
Mark Van Asten	45,102	-	-	-	735	45,837
Dianne Angus	45,102	-	-	-	735	45,837
Executive Directors						
Robert Proulx	512,035	-	-	47,093	15,408	574,535
Other Key Management						
Yalia Jayalakshmi	479,511	-	-	92,469	127,622	699,602
Geoff Hollis	299,835	-	-	105,030	55,720	460,585
Total	1,523,851	-	-	244,592	202,424	1,970,867

The proportion of remuneration linked to performance and the fixed proportion are as follows:

	Fixed Remuneration		At Risk - STI		At Risk - LTI	
	2023	**2022**	**2023**	**2022**	**2023**	**2022**
Non-Executive Directors						
Michael Harsh	100%	99%	-	-	0%	1%
David Ludvigson	100%	99%	-	-	0%	1%
Jovanka Naumoska	100%	98%	-	-	0%	2%
Mark Van Asten	100%	98%	-	-	0%	2%
Dianne Angus	100%	98%	-	-	0%	2%
Other Management /						
Robert Proulx	96%	89%	-	-	4%	11%
Isaac Bright	87%	-	-	-	13%	-
Other Key Management						
Yalia Jayalakshmi	76%	69%	-	-	24%	31%
Geoff Hollis	72%	65%	-	-	28%	35%

Service agreements

Remuneration and other terms of employment for key management personnel are formalised in service agreements. Details of these agreements are as follows:

Name:	Dr Isaac Bright
Title:	CEO
Agreement commenced:	20 June 2023
Term of agreement:	Dr Bright resigned effective 15 January 2024.

Name:	Ms Yalia Jayalakshmi
Title:	Chief Development Officer
Agreement commenced:	1 September 2021
Term of agreement:	Dr Jayalakshmi resigned effective 30 September 2023.

Name:	Mr Geoff Hollis
Title:	Chief Financial Officer / Company Secretary
Agreement commenced:	1 December 2020
Term of agreement:	Ongoing, Mr Hollis has announced his resignation effective 10 May 2024.
Details:	-Base salary of AUD$333,000 per annum, to be reviewed annually by the Nomination and Remuneration Committee; -Entitled to up to 200,000 Rights and Options under the Equity Incentive Plan (subject to certain milestones being met) (issued in 2020 rights now expired); -3 months termination notice by either party.

Key management personnel have no entitlement to termination payments in the event of removal for misconduct.

Share-based compensation

Issue of shares

2,010 shares were issued to Dianne Angus, 1,704 shares were issued to Mark Van Asten and 813 shares were issued to Jovanka Naumoska during the year. All shares were issued on 21 April 2023 as a result of take up of entitlements under the consolidated entity's entitlement offer. Amounts reflected are adjusted to reflect the consolidated entity's share consolidation that was effective 14 November 2023.

Options

The terms and conditions of each grant of options over ordinary shares affecting remuneration of directors and other key management personnel in this financial year or future reporting years are as follows:

Name	Number of options granted	Grant date	Vesting and exercisable date	Expiry date	Exercise price	Fair value per option at grant
					$	$
Robert Proulx	50,000	6-Aug-20	1-May-21	1-May-26	1.120	1.56-2.44
Robert Proulx	50,000	6-Aug-20	1-May-22	1-May-27	1.120	1.32-1.76
Robert Proulx	50,000	6-Aug-20	1-May-23	1-May-28	1.120	1.16-1.60
Michael Harsh	6,250	6-Aug-20	1-May-21	1-May-26	1.120	1.56-2.44
Michael Harsh	6,250	6-Aug-20	1-May-22	1-May-27	1.120	1.32-1.76
David Ludvigson	6,250	6-Aug-20	1-May-21	1-May-26	1.120	1.56-2.44
David Ludvigson	6,250	6-Aug-20	1-May-22	1-May-27	1.120	1.32-1.76
Jovanka Naumoska	6,250	6-Aug-20	1-May-21	1-May-26	1.120	1.56-2.44
Jovanka Naumoska	6,250	6-Aug-20	1-May-22	1-May-27	1.120	1.32-1.76
Mark Van Asten	6,250	6-Aug-20	1-May-21	1-May-26	1.120	1.56-2.44
Mark Van Asten	6,250	6-Aug-20	1-May-22	1-May-27	1.120	1.32-1.76
Dianne Angus	6,250	6-Aug-20	1-May-21	1-May-26	1.120	1.56-2.44
Dianne Angus	6,250	6-Aug-20	1-May-22	1-May-27	1.120	1.32-1.76
Geoff Hollis	25,000	9-Dec-20	30-Nov-21	30-Nov-26	5.600	0.84-1.24
Geoff Hollis	25,000	9-Dec-20	30-Nov-22	30-Nov-27	5.600	0.64-0.92
Geoff Hollis	25,000	9-Dec-20	30-Nov-23	30-Nov-28	5.600	0.56-0.80
Yalia Jayalakshmi	25,000	14-Dec-21	30-Nov-22	30-Nov-27	3.488	1.89
Yalia Jayalakshmi	25,000	14-Dec-21	30-Nov-23	30-Nov-28	3.488	2.14
Yalia Jayalakshmi	25,000	14-Dec-21	30-Nov-24	30-Nov-29	3.488	2.32
Yalia Jayalakshmi	25,000	14-Dec-21	30-Nov-25	30-Nov-30	3.488	2.45
Isaac Bright(1)	187,500	20-Dec-23	20-Dec-23	20-Dec-33	0.404	0.31

(1) Dr Isaac Bright resigned on 15 January 2024 and is not entitled to the options above.

Options granted carry no dividend or voting rights.

Performance rights

The terms and conditions of each grant of performance rights over ordinary shares affecting remuneration of directors and other key management personnel in this financial year or future reporting are as follows:

Name	Number of rights granted	Grant date	Expiry date	Exercise price	Fair value per right at grant date
				$	$
Robert Proulx[1]	250,000	6-Aug-20	30-Apr-23	-	1.12
Geoff Hollis[2]	125,000	9-Dec-20	30-Nov-23	-	2.52
Yalia Jayalakshmi[2]	162,500	14-Dec-21	30-Nov-25	-	2.92
Yalia Jayalakshmi[3]	62,500	14-Dec-21	30-Nov-25	-	2.56

(1) 125,000 performance rights were converted into ordinary shares during the 2020 financial year upon achievement of performance milestones whilst the remaining 125,000 have been cancelled due to expiration.
(2) These rights have now been cancelled due to expiration or resignation.
(3) 37,500 of these rights have now been cancelled due to resignation. 25,000 are still valid.
Performance rights granted carry no dividend or voting rights.

Additional information

The historical earnings of the Consolidated Entity are summarised below:

	2023	2022	2021	2020
	$	$	$	$
Revenue	4,970,756	3,070,925	2,855,566	2,696,964
Net loss before tax	12,473,916	9,807,208	6,024,706	5,364,007
Net loss after tax	12,473,916	9,807,208	6,024,706	5,364,007

The factors that are considered to affect total shareholders return ('TSR') are summarised below:

	2023	2022	2021	2020
Share price at the start of the financial year ($)	0.960	3.040	5.800	1.000
Share price at the end of the financial year ($)	0.355	0.960	3.040	5.800
Basic earnings per share (cents per share)	(0.409)	(0.350)	(0.230)	(0.287)
Diluted earnings per share (cents per share)	(0.409)	(0.350)	(0.230)	(0.287)

Additional disclosures relating to key management personnel

Shareholding

The number of shares in the company held during the financial year by each director and other members of key management personnel of the consolidated entity, including their personally related parties, is set out below:

Name	Balance at start of year	Received remuneration	Additions	Disposals	Balance at the end of the year
Robert Proulx	154,082	-	-	-	154,082
Michael Harsh	6,500	-	-	-	6,500
David Ludvigson	13,625	-	-	-	13,625
Jovanka Naumoska	6,500	-	813	-	7,313
Mark Van Asten	13,625	-	1,704	-	15,329
Dianne Angus	6,075	-	2,010	-	8,085
Isaac Bright	-	-	-	-	-
Geoff Hollis	-	-	-	-	-
Yalia Jayalakshmi	-	-	-	-	-
Total	**200,407**	**-**	**4,527**	**-**	**204,934**

Amounts have been adjusted to reflect a 40:1 share consolidation effective 14 November 2023.

Option holding

The number of options over ordinary shares in the company held during the financial year by each director and other members of key management personnel of the consolidated entity, including their personally related parties, is set out below:

Name	Balance at start of year	Granted	Exercised	Expired / forfeited / other	Balance at the end of the year
Robert Proulx	157,050	-	-	(7,050)	150,000
Michael Harsh	14,000	-	-	(1,500)	12,500
David Ludvigson	15,500	-	-	(3,000)	12,500
Jovanka Naumoska	14,000	-	-	(1,500)	12,500
Mark Van Asten	15,500	-	-	(3,000)	12,500
Dianne Angus	12,500	-	-	-	12,500
Isaac Bright	-	187,500	-	-	187,500
Yalia Jayalakshmi	150,000	-	-	(50,000)	100,000
Geoff Hollis	75,000	-	-	-	75,000
Total	**453,550**	**187,500**	**-**	**(66,050)**	**575,000**

Amounts have been adjusted to reflect a 40:1 share consolidation effective 14 November 2023.

Performance rights holding

The number of performance shares in the company held during the financial year by each director and other members of key management personnel of the consolidated entity, including their personally related parties, is set out below:

Name	Balance at start of year	Granted	Vested	Expired / forfeited / other	Balance at the end of the year
Robert Proulx	125,000	-	-	(125,000)	-
Yalia Jayalakshmi	225,000	-	-	(200,000)	25,000
Geoff Hollis	125,000	-	-	(125,000)	-
Total	**475,000**	**-**	**-**	**(450,000)**	**25,000**

Amounts have been adjusted to reflect a 40:1 share consolidation effective 14 November 2023.

Voting and comments made at the Company's 2022 Annual General Meeting

At the 2023 Annual General Meeting , 74.8% of the votes received supported the adoption of the remuneration report for the year ended 31 December 2022. This constitutes a 'first strike' for the purposes of the Corporation Act 2001 (Cth). The consolidated entity did not receive any specific feedback at the Annual General Meeting regarding its remunerations practices.

This concludes the remuneration report, which has been audited.

Shares under option

Unissued ordinary shares of Imagion Biosystems Limited under option at the date of this report are as follows:

Grant date	Expiry date	Exercise price	Number under option
24-Jun-19	24-Jun-24	$1.120	51,250
22-Oct-19	20-Sep-24	$2.400	2,500
22-Oct-19	22-Aug-24	$2.400	7,500
22-Oct-19	7-Oct-24	$2.400	5,000
6-Aug-20	1-May-26	$1.120	81,250
6-Aug-20	1-May-27	$1.120	81,250
6-Aug-20	1-May-28	$1.120	50,000
29-Sep-20	30-Sep-25-31-Aug-28	$3.640	161,249
9-Dec-20	30-Nov-26	$5.600	25,000
9-Dec-20	30-Nov-27	$5.600	25,000
9-Dec-20	30-Nov-28	$5.600	25,000
7-Jun-21	30-Jun-26-31-May-29	$4.600	5,000
14-Dec-21	30-Nov-27-30-Nov-30	$3.488	100,000
14-Dec-21	31-Dec-26-30-Nov-29	$3.488	23,959
17-Feb-22	28-Feb-27-31-Jan-30	$2.716	7,292
8-Apr-22	30-Apr-27-31-Mar-30	$2.320	50,000
25-Jul-22	31-Jul-27-28-Feb-28	$1.680	21,775
26-Aug-22	31-Aug-27-31-Jul-30	$1.680	17,500
25-Oct-22	31-Oct-27-30-Sep-30	$1.360	50,000
21-Dec-22	31-Dec-27-30-Nov-30	$1.160	31,598
21-Mar-26	21-Mar-26	$1.496	353,474
4-Apr-23	30-Apr-28-31-Mar-31	$0.760	72,500
31-May-26	26-May-26	$1.496	699,897
1-Jun-26	1-Jun-26	$1.496	702,248
25-Aug-26	25-Aug-26	$0.900	1,164,597
23-Sep-23	30-Sep-28-28-Feb-29	$0.640	75,000
20-Dec-23	20-Dec-33	$0.404	187,500
			4,077,340

Shares issued on the exercise of options

The following ordinary shares of Imagion Biosystems Limited were issued during the prior year ended 31 December 2022. There were no options issued during 2023 and up to the date of this report on the exercise of

Date options granted	Exercise price	Number of shares issued
26-Jul-22	$0.0280	100,000

Indemnity and insurance of officers
The company has indemnified the directors and executives of the company for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the company paid a premium in respect of a contract to insure the directors and executives of the company against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

Proceedings on behalf of the company
No person has applied to the Court under Section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the company, or to intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or part of those proceedings.

Non-audit services
Non-audit services provided during the financial year by the auditor included $4,350 for general consultancy services. The Directors are satisfied that the provision of these non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The nature and scope of these non-audit services mean that auditor independence was not compromised.

Rounding of amounts
The company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest dollar.

Auditor's independence declaration
A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

On behalf of the directors

Robert Proulx
Chair

10 May 2024

RSM Australia Partners

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AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of Imagion Biosystems Limited and its Controlled Entity for the year ended 31 December 2023, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

(ii) any applicable code of professional conduct in relation to the audit.

RSM AUSTRALIA PARTNERS

B Y CHAN
Partner

Dated: 10 May 2024
Melbourne, Victoria

Imagion Biosystems Limited
Consolidated Statement of Profit and Loss and Other Comprehensive Income
For the year ended 31 December 2023

	Note	2023 $	2022 $
Revenue			
Revenue and other income	4	1,436,681	569,959
Research & development tax incentives		3,534,075	2,500,966
		4,970,756	**3,070,925**
Operating Expenses			
Research & development expenses		(5,250,591)	(3,615,851)
Employment expenses		(6,239,698)	(4,863,506)
Professional fees		(1,888,224)	(1,037,811)
General expenses		(1,693,223)	(1,423,984)
Share based payments expense		(462,715)	(653,059)
Depreciation expense	5	(1,183,247)	(1,108,183)
Foreign exchange gain/(loss)		(11,995)	(1,412)
Fair value movement of derivatives	5	412,989	-
Finance costs	5	(1,127,968)	(174,327)
		(17,444,672)	**(12,878,133)**
Loss before income tax expense		**(12,473,916)**	**(9,807,208)**
Income tax expense (benefit)		-	-
Loss after Income Tax Expense		**(12,473,916)**	**(9,807,208)**
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation reserve	17	48,132	523,566
Income tax relating to these items		-	-
Other comprehensive income/(loss), net of tax		48,132	523,566
Total comprehensive Income (loss) for the year Attributable to the Owners of Imagion Biosystems Limited		**(12,425,784)**	**(9,283,642)**

	Note	Cents	Cents
Basic earnings (loss) per share	25	(0.4092)	(0.3499)
Diluted earnings (loss) per share	25	(0.4092)	(0.3499)

These financial statements should be read in conjunction with the accompanying notes.

Imagion Biosystems Limited
Consolidated Statement of Financial Position
As at 31 December 2023

	Note	2023 $	2022 $
Current Assets			
Cash and cash equivalents	6	227,084	4,446,102
Trade and other receivables	7	73,686	92,463
Other current assets	8	300,610	449,985
Total Current Assets		601,380	4,988,550
Non-Current Assets			
Property, plant and equipment	9	736,401	703,276
Right-of-use assets	10	3,248,491	4,283,796
Total Non-Current Assets		3,984,892	4,987,072
Total Assets		**4,586,272**	**9,975,622**
Current Liabilities			
Trade and other payables	11	2,208,883	436,788
Lease liabilities	12	1,095,646	1,041,051
Borrowings	13	1,700,000	-
Employee benefits	14	37,852	175,032
Other liabilities	15	85,544	80,033
Total Current Liabilities		5,127,925	1,732,904
Non-Current Liabilities			
Lease liabilities	12	2,492,700	3,563,318
Borrowings	13	750,000	-
Employee benefits	14	3,694	1,904
Total Non-Current Liabilities		3,246,394	3,565,222
Total Liabilities		**8,374,319**	**5,298,126**
Net Assets / (Liabilities)		**(3,788,047)**	**4,677,496**
Equity			
Issued capital	16	59,605,923	56,830,408
Reserves	17	4,921,408	3,688,550
Accumulated losses		(68,315,378)	(55,841,462)
Total Equity		**(3,788,047)**	**4,677,496**

These financial statements should be read in conjunction with the accompanying notes.

	Issued Capital $	Reserves $	Accumulated Losses $	Total Equity $
Balance as at 1 January 2022	56,827,608	2,511,925	(46,034,254)	13,305,279
Loss after income tax	-	-	(9,807,208)	(9,807,208)
Other comprehensive income/(loss) after tax	-	523,566	-	523,566
Total comprehensive income/(loss)	-	523,566	(9,807,208)	(9,283,642)
Transactions with owners in their capacity as owners				
Contributions of equity	2,800	-	-	2,800
Costs of contributions of equity	-	-	-	-
Transfer from reserves	-	-	-	-
Share based payments	-	653,059	-	653,059
Balance as at 31 December 2022	**56,830,408**	**3,688,550**	**(55,841,462)**	**4,677,496**

	Issued Capital $	Reserves $	Accumulated Losses $	Total Equity $
Balance as at 1 January 2023	56,830,408	3,688,550	(55,841,462)	4,677,496
Loss after income tax	-	-	(12,473,916)	(12,473,916)
Other comprehensive income/(loss) after tax	-	48,132	-	48,132
Total comprehensive income/(loss)	-	48,132	(12,473,916)	(12,425,784)
Transactions with owners in their capacity as owners				
Contributions of equity	3,057,815	-	-	3,057,815
Costs of contributions of equity	(282,300)	-	-	(282,300)
Transfer from reserves	-	-	-	-
Share based payments	-	1,184,726	-	1,184,726
Balance as at 31 December 2023	**59,605,923**	**4,921,408**	**(68,315,377)**	**(3,788,047)**

These financial statements should be read in conjunction with the accompanying notes.

Imagion Biosystems Limited
Consolidated Statement of Cash Flows
For the year ended 31 December 2023

	Note	2023 $	2022 $
Cash Flows from Operating Activities			
Receipts from customers (inc of sales and other taxes)		1,496,126	473,337
Payments to suppliers and employees (inc of sales and other taxes)		(13,262,470)	(10,934,165)
Interest received		62,776	29,827
Interest and other finance costs paid		(146,471)	(166,179)
Government grants and tax incentives		3,534,075	2,522,966
Net cash outflow from operating activities	**24**	**(8,315,964)**	**(8,074,214)**
Cash Flows from Investing Activities			
Payment for property, plant and equipment		(190,379)	(507,315)
Proceeds from / (payment for) other assets (security deposits)		-	38,588
Net cash outflow from investing activities		**(190,379)**	**(468,727)**
Cash Flows from Financing Activities			
Proceeds from the issue of shares		2,382,815	-
Proceeds from the issue of convertible notes		3,500,000	-
Proceeds from the exercise of options		-	2,759
Transaction costs in relation to financing activities		(619,330)	-
Repayment of borrowings		(971,924)	(964,820)
Net cash inflow from financing activities		**4,291,561**	**(962,061)**
Net increase (decrease) in cash and cash equivalents		(4,214,782)	(9,505,002)
Cash and cash equivalents at start of year		4,446,102	13,393,768
Effects of exchange rate changes on cash and cash equivalents		(4,236)	557,336
Cash and cash equivalents at end of year	**6**	**227,084**	**4,446,102**

These financial statements should be read in conjunction with the accompanying notes.

1 Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

The financial statements of Imagion Biosystems Limited & Controlled Entities (the "consolidated entity") for 31 December 2023 were authorised for issue by the Directors on 10 May 2024.

a) Basis of Preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the *Corporations Act 2001* , as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

Historical cost convention

The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of available-for-sale financial assets, financial assets and liabilities at fair value through profit or loss, investment properties, certain classes of property, plant and equipment and derivative financial instruments.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the consolidated entity's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

Parent entity information

In accordance with the *Corporations Act 2001* , these financial statements present the results of the consolidated entity only. Supplementary information about the parent entity is disclosed in note 22.

Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Imagion Biosystems Limited as at 31 December 2023 and the results of all subsidiaries for the year then ended. Imagion Biosystems Limited and its subsidiaries together are referred to in these financial statements as the 'consolidated entity'.

Subsidiaries are all those entities over which the consolidated entity has control. The consolidated entity controls an entity when the consolidated entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the consolidated entity are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the consolidated entity.

1 Significant accounting policies (continued)

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Non-controlling interest in the results and equity of subsidiaries are shown separately in the statement of profit or loss and other comprehensive income, statement of financial position and statement of changes in equity of the consolidated entity. Losses incurred by the consolidated entity are attributed to the non-controlling interest in full, even if that results in a deficit balance.

Where the consolidated entity loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The consolidated entity recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

Comparatives
Comparative figures for the prior year have been re-classified where appropriate to align with current year disclosures.

b) Going Concern
The financial statements have been prepared on the going concern basis, which contemplates the continuity of normal business activities and the realisation of assets and discharge of liabilities in the normal course of business.

As disclosed in the financial statements, the consolidated entity incurred a loss of $12,473,916 and had net cash outflows from operating activities of $8,315,964 for the year ended 31 December 2023. As at that date, the consolidated entity had net current liabilities of $4,526,545 and net liabilities of $3,788,047.

These factors indicate a material uncertainty which may cast significant doubt as to whether the consolidated entity will continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

The Directors have prepared the financial statements for the consolidated entity on a going concern basis after consideration the following factors:

- On 10 May 2024 Mercer Street Global Opportunity Fund, LLC (Mercer) approved a drawdown of $220,000 in accordance with the convertible note agreement disclosed in Note 13. These funds will be utilised to part pay outstanding trade payables;
- The Directors are in discussions with Mercer to secure an additional investment of up to $2.5 million. The form and structure of the investment, and any conditions precedent to its completion, are subject to negotiations which are ongoing at the date of this report. Without relinquishing it's rights under the convertible note agreement or general security deed and without any binding agreement having yet been reached, Mercer have expressed an intention to support the consolidated entity subject to the outcome of negotiations; and
- The consolidated entity is continuing to explore financing options and strategic partnerships with the aim of realising value in relation to its technology that could be utilised to reduce liabilities in conjunction with the Mercer discussions.

1 Significant accounting policies (continued)

With these mitigating factors considered, the directors believe that the consolidated entity will be able to meets its debts as and when they fall due for a period of 12 months from the date of signing this financial report. On this basis, the directors believe that it is appropriate to adopt the going concern basis in the preparation of this financial report.

In the event the consolidated entity loses the support of Mercer, and consequently is unable to settle its liabilities when they fall due, the consolidated entity would not be a going concern and therefore will not be able to realise its assets and extinguish its liabilities in the normal course of business, at the amounts stated in the financial report.

This financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be necessarily incurred should the consolidated entity not continue as a going concern.

c) Foreign currency translation

The financial statements are presented in Australian dollars, which is Imagion Biosystems Limited's functional and presentation currency.

Foreign currency transactions

Foreign currency transactions are translated into Australian dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Foreign operations

The assets and liabilities of foreign operations are translated into Australian dollars using the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated into Australian dollars using the average exchange rates, which approximate the rates at the dates of the transactions, for the period. All resulting foreign exchange differences are recognised in other comprehensive income through the foreign currency reserve in equity.

The foreign currency reserve is recognised in profit or loss when the foreign operation or net investment is disposed of.

d) Revenue recognition

Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the consolidated entity is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the consolidated entity: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

1 Significant accounting policies (continued)

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are recognised as a refund liability.

Sale of goods
Revenue from the sale of goods is recognised at the point in time when the customer obtains control of the goods, which is generally at the time of delivery.

Interest
Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Other revenue
Other revenue is recognised when it is received or when the right to receive payment is established.

e) Income tax
The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered, or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled, and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

1 Significant accounting policies (continued)

f) Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

g) Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. For the statement of cash flows presentation purposes, cash and cash equivalents also includes bank overdrafts, which are shown within borrowings in current liabilities on the statement of financial position.

h) Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

The consolidated entity has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

i) Investments and other financial assets

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless, an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the consolidated entity has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all a financial asset, it's carrying value is written off.

Financial assets at fair value through profit or loss

Financial assets not measured at amortised cost or at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Typically, such financial assets will be either: (i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit, or a derivative; or (ii) designated as such upon initial recognition where permitted. Fair value movements are recognised in profit or loss.

1 Significant accounting policies (continued)

Impairment of financial assets
The consolidated entity recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the consolidated entity's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets measured at fair value through other comprehensive income, the loss allowance is recognised within other comprehensive income. In all other cases, the loss allowance is recognised in profit or loss.

j) Property, plant and equipment
Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated using straight-line and diminishing value methods to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Plant and equipment	3-10 years
Leasehold improvements	10 years

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the consolidated entity. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss. Any revaluation surplus reserve relating to the item disposed of is transferred directly to retained profits.

k) Right-of-use assets
A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the consolidated entity expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

1 Significant accounting policies (continued)

The consolidated entity has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

l) Research and development

Research costs for the development of intellectual property are expenses in the period in which they are incurred. Development costs are capitalised when it is probable that the project will be a success considering its commercial and technical feasibility; the consolidated entity is able to use or sell the asset; the consolidated entity has sufficient resources; and intent to complete the development and its costs can be measured reliably. Following the initial recognition of the development expenditure, the cost model is applied requiring the asset to be carried at cost less any accumulated amortisation and accumulated impairment losses. Any expenditure is capitalised and is amortised on a straight-line basis over the period of expected benefits from the related project.

m) Trade and other payables

These amounts represent liabilities for goods and services provided to the consolidated entity prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured.

n) Borrowings

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

o) Lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the consolidated entity's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

p) Finance costs

Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred.

1 Significant accounting policies (continued)

q) Provisions

Provisions are recognised when the consolidated entity has a present (legal or constructive) obligation as a result of a past event, it is probable that the consolidated entity will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

r) Employee benefits

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Share-based payments

Equity-settled and cash-settled share-based compensation benefits are provided to employees.

Equity-settled transactions are awards of shares, or options over shares, that are provided to employees in exchange for the rendering of services. Cash-settled transactions are awards of cash for the exchange of services, where the amount of cash is determined by reference to the share price.

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using either the Binomial or Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the consolidated entity receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

The cost of cash-settled transactions is initially, and at each reporting date until vested, determined by applying either the Binomial or Black-Scholes option pricing model, taking into consideration the terms and conditions on which the award was granted.

1 Significant accounting policies (continued)

The cumulative charge to profit or loss until settlement of the liability is calculated as follows:

- during the vesting period, the liability at each reporting date is the fair value of the award at that date multiplied by the expired portion of the vesting period; and
- from the end of the vesting period until settlement of the award, the liability is the full fair value of the liability at the reporting date.

All changes in the liability are recognised in profit or loss. The ultimate cost of cash-settled transactions is the cash paid to settle the liability.

Market conditions are taken into consideration in determining fair value. Therefore any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the consolidated entity or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the consolidated entity or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

s) Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests.

For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Assets and liabilities measured at fair value are classified, into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

1 Significant accounting policies (continued)

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

u) Convertible notes

Convertible notes can be converted to ordinary shares at the option of the holder.

No embedded derivate component has been reflected as it is unlikely that the holder will convert and notes prior to them becoming due and payable as the floor conversion price is significantly greater than the consolidated entity's share price.

The host financial liability is measured at amortised cost using the effective interest method until it is extinguished on conversion or redemption. Interest related to the financial liability is recognised in profit or loss.

u) Issued capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

v) Dividends

Dividends are recognised when declared during the financial year and no longer at the discretion of the company.

w) Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to the owners of Imagion Biosystems Limited, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after-income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

x) Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

1 Significant accounting policies (continued)

y) Rounding of amounts

The company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

z) New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the consolidated entity for the annual reporting period ended 31 December 2023. The consolidated entity has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

2 Critical Accounting Estimates, Assumptions and Judgements

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Fair value measurement hierarchy

The consolidated entity is required to classify all assets and liabilities, measured at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being: Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date; Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and Level 3: Unobservable inputs for the asset or liability. Considerable judgement is required to determine what is significant to fair value and therefore which category the asset or liability is placed in can be subjective.

Estimation of useful lives of assets

The consolidated entity determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Share-based payment transactions

The consolidated entity measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using either the Binomial or BlackScholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

2 Critical Accounting Estimates, Assumptions and Judgements (continued)

Lease term
The lease term is a significant component in the measurement of both the right-of-use asset and lease liability. Judgement is exercised in determining whether there is reasonable certainty that an option to extend the lease or purchase the underlying asset will be exercised, or an option to terminate the lease will not be exercised, when ascertaining the periods to be included in the lease term. In determining the lease term, all facts and circumstances that create an economical incentive to exercise an extension option, or not to exercise a termination option, are considered at the lease commencement date. Factors considered may include the importance of the asset to the consolidated entity's operations; comparison of terms and conditions to prevailing market rates; incurrence of significant penalties; existence of significant leasehold improvements; and the costs and disruption to replace the asset. The consolidated entity reassesses whether it is reasonably certain to exercise an extension option, or not exercise a termination option, if there is a significant event or significant change in circumstances.

Incremental borrowing rate
Where the interest rate implicit in a lease cannot be readily determined, an incremental borrowing rate is estimated to discount future lease payments to measure the present value of the lease liability at the lease commencement date. Such a rate is based on what the consolidated entity estimates it would have to pay a third party to borrow the funds necessary to obtain an asset of a similar value to the right-of-use asset, with similar terms, security and economic environment.

3 Operating segments

Identification of reporting operating segments
The consolidated entity is organised into one operating segment being Research & Development. This operating segment is based on internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers (CODM) in assessing performance and in determining the allocation of resources).

Geographical information
The consolidated entity has non-current assets and derives revenue in two geographical areas as outlined below:

	31-Dec-23	**31-Dec-22**
	$	**$**
Geographical location of non-current assets		
Property, plant and equipment		
United States of America	734,712	700,740
Australia	1,689	2,536
	736,401	703,276
Right-of-use assets		
United States of America	3,248,491	4,283,796
Australia	-	-
	3,248,491	4,283,796

	31-Dec-23	**31-Dec-22**
	$	**$**
Geographical derivation of revenue		
Revenue and other income		
United States of America	1,371,633	520,205
Australia	65,048	49,754
	1,436,681	569,959

Research and development tax incentives are derived in Australia.

4 Revenue

	2023 $	2022 $
Sales revenue		
Sale of goods	1,082,937	473,429
	1,082,937	473,429
Other revenue:		
Interest	69,204	29,833
Sub-lease revenue	160,806	46,245
Employee retention credit (USA)	123,734	-
Government grant received	-	20,000
Other revenue	-	452
	353,744	96,530
	1,436,681	569,959

Sale of goods includes $1,057,599 (2022: $462,731) relating to contracted sales which were delivered at a point in time. Sale of goods revenue ($1,082,937) was derived in the United States of America (2022: $473,429).

5 Expenses

	Note	2023 $	2022 $
Depreciation:			
Plant and equipment	**9**	159,318	144,702
Right-of-use assets	**10**	1,023,929	963,481
		1,183,247	1,108,183
Fair value			
Fair value movements of derivatives	**13**	(412,989)	-
Finance costs:			
Interest payable on hire purchase liabilities	**12**	8,616	1,794
Unwinding of the lease liability interest	**12**	142,270	172,342
Finance arranger fee		210,000	-
Notional interest convertible notes	**13**	760,000	-
Other interest		7,082	191
		1,127,968	174,327

Finance arranger fees were incurred in relation to the convertible note facility.

6 Cash and cash equivalents

	2023 $	2022 $
Cash on hand	2	2
Cash at bank	227,082	4,446,100
	227,084	4,446,102

7 Trade and other receivables

	2023 $	2022 $
Current		
Trade receivables	73,686	92,463

Trade receivable are typically received within 30 days.

8 Other current assets

	2023	2022
	$	$
Prepayments	142,649	315,122
GST refundable	30,407	20,622
Security deposits	111,935	113,009
Other assets	15,619	1,232
	300,610	449,985

9 Property, plant and equipment

	2023	2022
	$	$
Plant and equipment, at cost	1,283,652	1,099,507
Less: accumulated depreciation	(957,167)	(877,510)
Leasehold improvements, at cost	552,996	558,301
Less: accumulated depreciation	(143,080)	(77,022)
	736,401	703,276

Reconciliation

Reconciliations of the written down values at the beginning and end of the current and previous financial years are set out below:

	2023	2022
Opening balance	703,276	346,096
Additions	194,561	467,200
Assets written-off	-	-
Foreign currency revaluation movements	(2,118)	34,682
Depreciation expense	(159,318)	(144,702)
Closing balance	736,401	703,276

10 Right-of-use assets

	2023	2022
	$	$
Land and buildings: right-of-use	5,221,644	5,271,740
Less: accumulated depreciation	(1,973,153)	(987,944)
	3,248,491	4,283,796

Reconciliation

Reconciliations of the written down values at the beginning and end of the current and previous financial years are set out below:

	2023	2022
	$	$
Opening balance	4,283,796	-
Additions	-	5,271,740
Foreign currency revaluation movements	(11,376)	(24,463)
Depreciation expense	(1,023,929)	(963,481)
Closing balance	3,248,491	4,283,796

The consolidated entity entered a lease for its current premises in January 2022. The lease has a 62 month initial term with a five-year option to extend. The consolidated entity executed a Recapture Agreement on 12 March 2024 which means the lease will terminate on 30 April 2024, refer to Note 32 for further details.

10 Right-of-use assets (continued)

The consolidated entity leases office equipment under agreements of less than two years. These leases are either short-term or low-value, so have been expensed as incurred and not capitalised as right-of-use assets.

11 Trade and other payables

	2023 $	2022 $
Trade payables	1,590,171	325,063
Severance remuneration payable	219,298	-
Other payables and accruals	399,414	111,725
	2,208,883	436,788

Severance remuneration payable relates to redundancy that occurred in September 2023. The consolidated entity and the former employee have agreed that this will be paid out of proceeds' from the consolidated entity's research and development tax incentive in respect of 2023.

12 Lease liabilities

	Interest rate	2023 $	2022 $
Current			
Lease liability - premises	3.7%	1,020,341	961,229
Hire purchase liabilities	7.9%	75,305	79,822
		1,095,646	1,041,051
Non-current			
Lease liability - premises	3.7%	2,486,381	3,539,806
Hire purchase liabilities	5.0%	6,319	23,512
		2,492,700	3,563,318

Information in relation to the lease liability - premises is below:

Maturity analysis - contractual undiscounted cash flows		
Less than one year	1,217,060	1,194,631
One to five years	2,591,851	3,772,347
Total undiscounted lease liabilities	3,808,911	4,966,978

	2022 $	2021 $
Amounts recognised in profit and loss		
Interest on lease liabilities	142,270	172,342
Interest on hire purchase liabilities	8,616	1,794
	150,886	174,136
Amounts recognised in cash flows		
Total cash outflow for leases	971,924	964,820

13 Borrowings

	2023 $	2022 $
Current		
Convertible notes	1,700,000	-
Non-current		
Convertible notes	750,000	-

On 7 March 2023 the consolidated entity announced a funding package of up to $15 million with Mercer Street Global Opportunity Fund, LLC, a New York based investment fund (Mercer). In addition to issuing share capital and options (refer to notes 16 and 17), the consolidated entity issued the following financial liabilities:

- On 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 2024.
- On 1 June 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.
- On 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.

As at 31 December 2023 the available balance of the Mercer facility was $11.5 million. This can be drawn by the consolidated entity, subject to mutual agreement with Mercer and the consolidated entity having sufficient placement capacity under the ASX Listing Rules or obtaining shareholder approval to issue the relevant securities. The floor price is $0.50 per convertible note and given the consolidated entity's current share price is trading significantly below this it is unlikely that the consolidated entity will be able to draw on this facility under the current conditions without the floor price being renegotiated and approved by shareholders.

All of the convertible notes have the following features:

- Face value of $1.00 at a subscription price of $0.90909;
- No coupon is payable on drawn funds and no interest is payable on unconverted drawn funds;
- The conversion price is the higher of the 90% of the lowest VWAP during the 15 trading days immediately prior to issuing the relevant conversion notice or the floor price;
- Each convertible note provides Mercer with the option to convert the notes into ordinary shares. If Mercer does not convert the convertible notes by the relevant maturity dates (18 months from issue date), the consolidated entity is required to repay Mercer the face value of the notes; and
- The consolidated entity has the option to repay the convertible notes prior to the relevant maturity dates at 105% of the outstanding face value. At that time Mercer has the right to convert up to 30% of any outstanding face value prior to settlement.

The host financial liability has been measured at amortised cost with no embedded derivate being recognised. This is due to the consolidated entity's current share price trading significantly lower than the floor price of $0.50 per convertible note meaning the likelihood of conversion by Mercer is minimal. The total repayable to Mercer as at balance date was $3,550,000.

Security

The consolidated entity, via entering into a general security deed, has granted Mercer Street Global Opportunity Fund, LLC a first ranking security against any present and after-acquired secured property and revolving assets.

14 Employee benefits

	2023 $	2022 $
Current		
Provision for annual leave	37,852	175,032
Non-current		
Provision for long service leave	3,694	1,904

15 Other liabilities

	2023 $	2022 $
Make good provision	70,006	69,749
Security deposit (sub-lease)	15,538	10,284
	85,544	80,033

16 Issued capital

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the company does not have a limited amount of authorised capital.

	2023 Shares	2022 Shares	2023 $	2022 $
Ordinary shares - fully paid	32,646,551	1,121,318,534	59,605,923	56,830,408

Movements in ordinary share capital - 2023

Details		Date	Shares	Issue Price	$
Opening balance		1-Jan-23	1,121,318,534	-	56,830,408
Issue of shares (Mercer shares)	(b)	21-Mar-23	22,058,824	0.017	375,000
Issue of shares (entitlement offer)	(c)	21-Apr-23	24,288,420	0.017	412,903
Issue of shares (entitlement offer)	(c)	14-Jul-23	115,878,572	0.017	1,969,912
Costs of issue (entitlement offer)		Various	-	-	(282,300)
Issue of shares (Mercer conversion)		21-Jul-23	22,222,222	0.014	300,000
Impact of 40:1 share consolidatior	(a)	14-Nov-23	(1,273,120,021)	-	-
Closing balance		31-Dec-23	32,646,551		59,605,923

Movements in ordinary share capital - 2022

Details	Date	Shares	Issue Price	$
Opening balance	1-Jan-22	1,121,218,534	-	56,827,608
Issue of shares (exercise of employee options)	26-Jul-22	100,000	0.028	2,800
	31-Dec-22	1,121,318,534		56,830,408

(a) Share consolidation
On 14 November 2023 shareholders approved a 40 to 1 consolidation of the consolidated entity's shares. If this had of been in effect as at 31 December 2022 comparative shares on issue would have been 28,032,963.

(b) Mercer share placements
In relation to Mercer entering into the funding package (refer note 3) they were issued with 22,058,824 ordinary shares at a deemed issue price of $0.017 cents per share.

(c) Entitlement offer
On 7 March 2023 the consolidated entity announced a non-renounceable entitlement offer to raise $2,382,838 through the offer of one new ordinary share for every eight shares held. $412,903 was raised from existing shareholders and the shortfall on $1,969,935 was placed during the year.

16 Issued capital (continued)

Listed options

As part of a renounceable rights issue (in April 2020) the Company issued listed options. In April 2020 'IBXOA options' were issued with an exercise price of $0.03. IBXOA options expired on 28 April 2023. No options were converted during the half-year.

Movements in listed options during the current and previous financial year are set out below:

2023	**IBXOA**	
Details	**Date**	**Options**
Opening balance	1-Jan-23	233,301,933
Options lapsed	28-Apr-23	(233,301,933)
Closing balance	31-Dec-23	-

2022	**IBXOA**	
Details	**Date**	**Options**
Opening balance	1-Jan-22	233,301,933
Closing balance	31-Dec-22	233,301,933

Capital risk management

The consolidated entity's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

17 Reserves

	2023	**2022**
	$	**$**
Foreign currency translation reserve	925,227	877,095
Share based payment reserve	3,996,181	2,811,455
	4,921,408	3,688,550

Foreign currency translation reserve

The reserve is used to recognise exchange differences arising from the translation of the financial statements of foreign operations to Australian dollars. It is also used to recognise gains and losses on hedges of the net investments in foreign operations.

17 Reserves (continued)

Movements in reserves

Movements in each class of reserve during the current and previous financial year are set out below:

	Share based payment reserve $	Foreign currency reserve $	Total $
Balance as at 1 January 2023	2,811,455	877,095	3,688,550
Movements in revaluation of foreign currency	-	48,132	48,132
Other share based payments (a)	722,011	-	722,011
Share based payments for key management, non-executive directors and employees	462,715	-	462,715
Balance at 31 December 2023	3,996,181	925,227	4,921,408

	Share based payment reserve $	Foreign currency reserve $	Total $
Balance as at 1 January 2022	2,158,396	353,529	2,511,925
Movements in revaluation of foreign currency	-	523,566	523,566
Share based payments for key management, non-executive directors and employees	653,059	-	653,059
Balance at 31 December 2022	2,811,455	877,095	3,688,550

(a) Other share based payments

As detailed in note 13, the consolidated entity entered into a funding agreement with Mercer Street Global Opportunity Fund, LLC (Mercer) during the half-year. As consideration for Mercer entering into the agreement with the consolidated entity, the following securities were issued to Mercer for nil consideration (all adjusted to reflect the 40:1 share consolidation):

- On 21 March 2023, the consolidated entity issued 353,474 three-year options for ordinary shares at an exercise price of $1.496;
- On 26 May 2023, the consolidated entity issued 699,897 three-year options for ordinary shares at an exercise price of $1.496;
- On 1 June 2023, the consolidated entity issued 702,248 three-year options for ordinary shares at an exercise price of $1.496; and
- On 25 August 2023, the consolidated entity issued 1,164,597 three-year options for ordinary shares at an exercise price of $0.90.

The issue of the above options with a value of $722,011 has been incorporated into the share based payment reserve.

18 Accumulated losses

	2023 $	2022 $
Accumulated losses at the beginning of the financial year	(55,841,462)	(46,034,254)
Losses after income tax expense for the year	(12,473,916)	(9,807,208)
Accumulated losses at the end of the financial year	(68,315,378)	(55,841,462)

19 Key management personnel

Compensation

The aggregate compensation made to directors and other members of key management personnel of the consolidated entity is set out below:

	2023 $	2022 $
Short-term employee benefits	1,718,199	1,523,851
Share based payments	325,622	447,016
	2,043,821	1,970,867

20 Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by RSM Australia Partners, the auditor of the company, its network firms and unrelated firms:

	2023 $	2022 $
Audit services - RSM Australia Partners		
Audit or review of the financial statements	69,000	63,750
Other services in relation to general consultancy services	4,350	750
	73,350	64,500

21 Commitments

The consolidated entity had no commitments as at 31 December 2023 (2022: $336,327).

22 Parent entity information

Set out below is the supplementary information about the parent entity.

Statement of profit or loss and other comprehensive income	2023 $	2022 $
(Loss) after income tax	(628,647)	(4,947,365)
Total comprehensive income	(628,647)	(4,947,365)

Statement of financial position	2023 $	2022 $
Total current assets	172,039	2,931,412
Total assets	173,742	2,933,961
Total current liabilities	2,319,948	312,962
Total liabilities	3,073,642	314,866
Equity		
Issued capital	59,605,923	56,830,408
Reserves	4,283,308	3,098,582
Retained earnings	(66,789,132)	(57,309,895)
Total equity	(2,899,901)	2,619,095

22 Parent entity information (continued)

Contingent liabilities
The parent entity had no contingent liabilities as at 31 December 2023 and 31 December 2022.

Capital commitments
The parent entity had no commitments as at 31 December 2023 (2022: $336,327).

Significant accounting policies
The accounting policies of the parent entity are consistent with those of the consolidated entity, as disclosed in note 1, except for the following:

- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.

23 Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following wholly owned subsidiaries in accordance with the accounting policy described in note 1:

		Ownership interest	
	Principal place of business /	2023	2022
Name	**Country of incorporation**	**%**	**%**
Imagion Biosystems Inc	Unites States of America	100	100

24 Reconciliation of loss after income tax to net cash flows from operating activities

	2023 $	2022 $
Loss after income tax expense for the year	(12,473,916)	(9,807,208)
Adjustments for:		
Depreciation expense	1,183,247	1,108,183
Fair value gain	(412,989)	-
Notional interest convertible notes	760,000	-
Foreign exchange loss	11,995	1,412
Share based payments expense	462,715	653,059
	(10,468,948)	(8,044,554)
Changes in operating assets and liabilities:		
Trade and other receivables	370,744	(197,671)
Trade and other payables	1,782,240	168,011
	(8,315,964)	(8,074,214)

25 Earnings per share

	2023 $	2022 $
Loss after income tax	(12,473,916)	(9,807,208)
Loss after income tax attributable to the owners of Imagion Biosystems Limited	(12,473,916)	(9,807,208)

25 Earnings per share (continued)

	2023 Number	**2022 Number**
Weighted average number of ordinary shares used in calculating basic earnings per share (a)	30,483,484	28,031,546
Weighted average number of ordinary shares used in calculating diluted earnings per share (a)	30,483,484	28,031,546

	2023 Cents	**2022 Cents**
Loss after income tax	(0.4092)	(0.3499)
Loss after income tax attributable to the owners of Imagion Biosystems Limited	(0.4092)	(0.3499)

(a) Weighted average number of shares in prior years adjusted to reflect the 40:1 share consolidation that occurred on 14 November 2023 for comparative purposes.

26 Share based payments

Performance shares
Since listing on the Australian Stock Exchange, the consolidated entity has established various incentive arrangements to assist in the attraction, retention and motivation of its employee and management group.

Employees
No performance rights were issued to employees in 2023 (2022: nil).

There are no performance rights outstanding for employees at end of 2023 (2022:nil).

Key management personnel and directors
No performance rights were issues to key management personnel in 2023 or 2022.

	Employees		**Directors & Key Management**	
2022	**Unvested**	**Vested**	**Unvested**	**Vested / not exercised**
1 January 2022	-	-	19,000,000	-
Balance 31 December 2022	**-**	**-**	**19,000,000**	**-**
2023				
Impact of share consolidation			(18,525,000)	
Expired	-	-	(450,000)	-
Balance 31 December 2023	**-**	**-**	**25,000**	**-**

26 Share based payments (continued)

Options
A share option plan has been established by the consolidated entity and approved by shareholders at a general meeting, whereby the consolidated entity may, at the discretion of the Board, grant options over ordinary shares in the company to certain key management personnel of the consolidated entity. The options are issued for nil consideration and are granted in accordance with performance guidelines established by the Board.

Employees
A total of 62,500 options were issued to employees on 4 April 2023. The options have an exercise price of $0.76 with options vesting monthly over three years with expiry dates between 30 April 2028 and 31 March 2031.

A total of 10,000 options were issued to an employee on 19 April 2023. The options have an exercise price of $0.76 with options vesting monthly over three years with expiry dates between 30 April 2028 and 31 March 2031.

Key Management Personnel
A total of 187,500 options were issued to Dr Isaac Bright on 20 December 2023 pursuant to his Executive Services Agreement. The options have an exercise price of $0.4041 with options vesting immediately with expiry date of 20 December 2033.

No other options were issues to key management personnel or directors in 2023.

Amounts above have been adjusted to reflect a 40:1 share consolidation effective 14 November 2023.

Set out below are summaries of options granted under the plans:

2023

Grant date	Expiry date	Exercise price	Balance at 1-Jan-2023	Impact of Share	Granted	Forfeited / other	Balance at 31-Dec-2023
24-Jun-19	24-Jun-24	$1.120	2,050,000	(1,998,750)	-	-	51,250
1-Jun-20	1-May-26	$1.120	3,250,000	(3,168,750)	-	-	81,250
1-Jun-20	1-May-27	$1.120	3,250,000	(3,168,750)	-	-	81,250
1-Jun-20	1-May-28	$1.120	2,000,000	(1,950,000)	-	-	50,000
29-Sep-20	30-Sep-28	$3.636	6,650,000	(6,483,750)	-	(5,001)	161,249
9-Dec-20	30-Nov-26	$5.600	1,000,000	(975,000)	-	-	25,000
9-Dec-20	30-Nov-27	$5.600	1,000,000	(975,000)	-	-	25,000
9-Dec-20	30-Nov-28	$5.600	1,000,000	(975,000)	-	-	25,000
7-Jun-21	31-May-29	$4.600	200,000	(195,000)	-	-	5,000
14-Dec-21	30-Nov-30	$3.488	7,500,000	(7,312,500)	-	(63,541)	123,959
17-Feb-22	31-Jan-30	$2.716	1,000,000	(975,000)	-	(17,708)	7,292
8-Apr-22	31-Mar-30	$2.320	2,000,000	(1,950,000)	-	-	50,000
26-Aug-22	31-Jul-30	$1.680	700,000	(682,500)	-	-	17,500
25-Oct-22	30-Sep-30	$1.360	2,000,000	(1,950,000)	-	-	50,000
21-Dec-22	30-Nov-30	$1.160	3,000,000	(2,925,000)	-	(43,402)	31,598
4-Apr-23	31-Mar-31	$0.760	-	-	62,500	-	62,500
19-Apr-23	31-Mar-31	$0.760	-	-	10,000	-	10,000
20-Dec-23	20-Dec-33	$0.404	-	-	187,500	-	187,500
			36,600,000	(35,685,000)	260,000	(129,652)	1,045,348
Weighted average exercise price			$0.065		$0.503	$2.609	$2.064

Amounts above have been adjusted to reflect a 40:1 share consolidation effective 14 November 2023.

26 Share based payments (continued)

2022

Grant date	Expiry date	Exercise price	Balance at 1-Jan-2022	Granted	Exercised	Forfeited	Balance at 31-Dec-2022
24-Jun-19	24-Jun-24	$0.028	2,150,000	-	(100,000)	-	2,050,000
1-Jun-20	1-May-26	$0.028	3,250,000	-	-	-	3,250,000
1-Jun-20	1-May-27	$0.028	3,250,000	-	-	-	3,250,000
1-Jun-20	1-May-28	$0.028	2,000,000	-	-	-	2,000,000
29-Sep-20	30-Sep-28	$0.091	7,150,000	-	-	(500,000)	6,650,000
9-Dec-20	30-Nov-26	$0.140	1,000,000	-	-	-	1,000,000
9-Dec-20	30-Nov-27	$0.140	1,000,000	-	-	-	1,000,000
9-Dec-20	30-Nov-28	$0.140	1,000,000	-	-	-	1,000,000
7-Jun-21	31-May-29	$0.115	200,000	-	-	-	200,000
14-Dec-21	30-Nov-30	$0.087	7,500,000	-	-	-	7,500,000
17-Feb-22	31-Jan-30	$0.068	-	1,000,000			1,000,000
8-Apr-22	31-Mar-30	$0.058	-	2,000,000			2,000,000
26-Aug-22	31-Jul-30	$0.042	-	700,000			700,000
25-Oct-22	30-Sep-30	$0.034	-	2,000,000			2,000,000
21-Dec-22	30-Nov-30	$0.029	-	3,000,000			3,000,000
			28,500,000	8,700,000	(100,000)	(500,000)	36,600,000
Weighted average exercise price			$0.072	$0.042	0.028	$0.091	$0.065

Set out below are the options exercisable at the end of the financial year:

Grant date	Expiry date	2023 Number	2022 Number
24-Jun-19	24-Jun-24	51,250	51,250
29-Sep-20	30-Sep-28	161,249	124,688
1-Jun-20	1-May-26	81,250	81,250
1-Jun-20	1-May-27	81,250	81,250
1-Jun-20	1-May-28	50,000	-
9-Dec-20	30-Nov-26	25,000	25,000
9-Dec-20	30-Nov-27	25,000	25,000
9-Dec-20	30-Nov-28	25,000	-
7-Jun-21	31-May-29	4,306	2,639
14-Dec-21	30-Nov-30	66,638	13,542
17-Feb-22	31-Jan-30	4,659	7,639
8-Apr-22	31-Mar-30	29,167	12,500
26-Aug-22	31-Jul-30	8,264	2,431
25-Oct-22	30-Sep-30	20,833	4,167
21-Dec-22	30-Nov-30	11,410	2,083
4-Apr-23	31-Mar-31	15,625	-
19-Apr-23	31-Mar-31	2,500	-
20-Dec-23	20-Dec-33	187,500	-
		850,901	-

The weighted average share price during the financial year was $0.69 (2022: $1.88).

The weighted average remaining contractual life of options outstanding at the end of the financial year was 4.84 years (2022: 4.81 years).

Amounts above have been adjusted to reflect a 40:1 share consolidation effective 14 November 2023.

26 Share based payments (continued)

For the options granted during the current and previous financial year, the valuation model inputs used to determine the fair value at the grant date, are as follows:

Grant date	Expiry date	Share price at grant date	Exercise price	Expected volatility	Dividend yield	Risk-free interest rate	Fair value at grant date
17-Feb-22	31-Jan-30	$2.560	$2.716	100.00%	0.00%	2.00%	$1.32-$1.76
8-Apr-22	31-Mar-30	$2.280	$2.320	100.00%	0.00%	2.76%	$1.16-$1.60
25-Jul-22	28-Feb-28	$1.680	$1.680	110.00%	0.00%	3.17%	$0.88-$0.96
26-Aug-22	31-Jul-30	$1.600	$1.680	110.00%	0.00%	3.33%	$0.96-$1.24
25-Oct-22	30-Sep-30	$1.200	$1.360	110.00%	0.00%	3.73%	$0.64-$0.92
21-Dec-22	30-Nov-30	$1.040	$1.160	110.00%	0.00%	3.34%	$0.56-$0.80
4-Apr-23	31-Mar-31	$0.680	$0.760	100.00%	0.00%	3.00%	$0.33-$0.47
19-Apr-23	31-Mar-31	$0.640	$0.760	100.00%	0.00%	3.00%	$0.32-$0.44
20-Dec-23	20-Dec-33	$0.345	$0.404	96.00%	0.00%	4.01%	$0.305

Amounts above have been adjusted to reflect a 40:1 share consolidation effective 14 November 2023.

27 Financial instruments

The consolidated entity’s activities expose it to a variety of financial risks: market risk (including foreign currency risk, price risk and interest rate risk), credit risk and liquidity risk. The consolidated entity’s overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance of the consolidated entity. The consolidated entity uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate, foreign exchange and other price risks, ageing analysis for credit risk and beta analysis in respect of investment portfolios to determine market risk.

Derivatives are not currently used by the consolidated entity for hedging purposes. The consolidated entity does not speculate in the trading of derivative instruments.

Market risk

Foreign currency risk
The consolidated entity undertakes certain transactions denominated in foreign currency and is exposed to foreign currency risk through foreign exchange rate fluctuations, in particular United States dollars.

Foreign exchange risk arises from future commercial transactions and recognised financial assets and financial liabilities denominated in a currency that is not the entity’s functional currency. The risk is measured using sensitivity analysis and cash flow forecasting.

The consolidated entity had net liabilities denominated in foreign currencies of US$468,911 (assets of US$3,018,180 less liabilities of US$3,487,091) as at 31 December 2023 (2022: Net assets US$1,394,575 (assets of US$4,770,734 less liabilities of US$3,376,159)). Based on this exposure, had the Australian dollar weakened by 5%/strengthened by 5% (2022: weakened by 5%/strengthened by 5%) against these foreign currencies with all other variables held constant, the consolidated entity's loss before tax for the year would have been $35,288 lower/$35,288 higher (2022: $100,372 lower/$100,372 higher) .

27 Financial instruments (continued)

The carrying amount of the consolidated entity's foreign currency denominated financial assets and financial liabilities at the reporting date were as follows (holdings are shown in AUD equivalent):

	Assets		Liabilities	
	2023	**2022**	**2023**	**2022**
US dollars	3,018,180	4,770,734	3,625,663	3,376,159

Price risk
The Consolidated Entity is not exposed to any significant price risk.

Credit risk
Credit risk refers to the risk that the counter party will default on its contractual obligations resulting in financial loss to the consolidated entity. Credit risk is the risk of financial loss to the consolidated entity if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the consolidated entity's receivables from customers and investment securities. The consolidated entity has only minimal sales revenue and consequently does not have credit exposure to outstanding receivables.

Interest rate risk
Interest rate risk is the risk that the value of a financial instrument or cash flows associated with the instrument will fluctuate due to changes in market interest rates. Interest rate risk arises from fluctuations in interest bearing financial assets and liabilities that the consolidated entity uses. Interest bearing assets comprise cash and cash equivalents which are considered to be short-term liquid assets and investment decisions are governed by the monetary policy.

During the year, the consolidated entity had no variable rate interest bearing liability. It is the consolidated entity's policy to settle trade payables within the credit terms allowed and therefore not incur interest on overdue balances.

Liquidity risk
Liquidity risk is the risk that the consolidated entity will not be able to meet its financial obligations as they fall due. The consolidated entity's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the consolidated entity's reputation. The consolidated entity's objective is to maintain a balance between continuity of funding and flexibility. The consolidated entity's exposure to financial obligations relating to corporate administration and projects expenditure, are subject to budgeting and reporting controls.

Remaining contractual maturities
The following tables detail the consolidated entity's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

27 Financial instruments (continued)

2023	Weighted average %	1 year or less $	Between 1 and 2 years $	Between 2 and 5 years $	Over 5 years $	Total $
Non-interest bearing						
Trade payables		1,590,171	-	-	-	1,590,171
Other payables		618,712	-	-	-	618,712
Interest bearing						
Lease liability	3.7%	1,020,341	1,091,896	1,394,485	-	3,506,722
Hire purchase liability	7.7%	75,305	6,319	-	-	81,624
		3,304,529	1,098,215	1,394,485	-	5,797,229

2022	Weighted average %	1 year or less $	Between 1 and 2 years $	Between 2 and 5 years $	Over 5 years $	Total $
Non-interest bearing						
Trade payables		325,063	-	-	-	325,063
Other payables		111,725	-	-	-	111,725
Interest bearing						-
Lease liability	3.7%	961,229	1,028,096	2,511,710	-	4,501,035
Hire purchase liability	6.8%	79,822	15,480	8,032	-	103,334
		1,477,839	1,043,576	2,519,742	-	5,041,157

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

28 Fair value measurement

There are no assets or liabilities held at fair value on a recurring or non-recurring basis.

The carrying amounts of trade and other receivables and trade and other payables are assumed to approximate their fair values due to their short-term nature. The fair value of financial liabilities are estimated by discounting the remaining contractual maturities at the current market interest rate that is available for similar financial liabilities.

Valuation techniques for fair value measurements categorised within level 2.

Unquoted investments have been valued using a discounted cash flow model.

Derivative financial instruments have been valued using quoted market rates. This valuation technique maximises the use of observable market data where it is available and relies as little as possible on entity specific estimates.

29 Income tax benefit

	2023 $	2022 $
Tax losses not recognised		
Unused tax losses for which no deferred tax asset has been recognised (Australia)	11,335,004	8,412,268
Potential tax benefit at 25.0% for 2022 (2021: 25.0%)	2,833,751	2,103,067
Unused tax losses for which no deferred tax asset has been recognised (USA)	27,209,031	15,963,275

The above potential tax benefit for tax losses has not been recognised in the statement of financial position. These tax losses can only be utilised in the future if the company satisfies the relevant tax loss rules in the relevant jurisdictions and the Company earns sufficient taxable profit to absorb the losses.

30 Contingent liabilities

As of 31 December 2023, the Company was not party to any material litigation, claims or suit whose outcome could have a material effect on the financial statements (2022: Nil).

31 Related party transactions

Parent entity
Imagion Biosystems Limited is the parent entity.

Subsidiaries
Interest in subsidiaries are set out in Note 23.

Key management personnel
Disclosures relating to key management personnel are set out in note 19 and the remuneration report included in the directors' report.

Transactions with related parties
The following transactions occurred with related parties:

	2023 $	2022 $
Payment for contracting services - Michael Harsh	-	1,439

There are no receivables or payables to related parties.

32 Events after the reporting period

On 15 January 2024 the consolidated entity's former CEO, Dr Isaac Bright, resigned with immediate effect. Mr Bob Proulx, the consolidated entity's executive chairman has assumed CEO duties on an interim basis.

On 12 March 2024 the consolidated entity executed a recapture agreement with its landlord, BRE-BMR Oberlin LP to effectively terminate the consolidated entity's premises lease. Subsequently on 30 April 2024 the consolidated entity vacated its premises in accordance with the Recapture Agreement. The consolidated entity is currently operating virtually.

In February March and April 2024 the consolidated entity further reduced operating expenses through further staff reductions and has taken steps to reduce other operating costs going forward.

The consolidated entity has received a further $0.9 million of nanoparticle revenue in the first four months of 2024, these funds have been used to remunerate staff and to meet essential business expenses. As at the date of this report no material further revenues have been secured. The consolidated entity is not anticipating any further material nanoparticle revenues in the short-term.

On 2 May 2024 Dianne Angus and Jovanka Naumoska resigned as directors with immediate effect.

On 9 May 2024 the consolidated entity and Mercer executed a drawdown notice for a subsequent investment amount of $220,000 to be utilised for immediate working capital expenses. The effective closing date pursuant to the Convertible Securities Agreement is expected to be 16 May 2024.

Given the lack of liquidity and staff reductions the consolidated entity has paused all other research and development activities including proceeding towards an IND filing for its MagSense HER2 Breast Cancer program.

In the directors' opinion:

- the attached financial statements and notes and the remuneration disclosures that are contained within the Remuneration report within the Directors' report comply with the *Corporations Act 2001* , the Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements;

- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 1 to the financial statements;

- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 31 December 2023 and of its performance for the financial year ended on that date; and

- the directors note the factors and commentary in Note 1(b) in relation to whether there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

The directors have been given the declarations required by section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors

Robert Proulx
Chair
Imagion Biosystems Limited

10 May 2024

RSM Australia Partners

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INDEPENDENT AUDITOR'S REPORT
To the Members of Imagion Biosystems Limited

Opinion

We have audited the financial report of Imagion Biosystems Limited (the Company) and its Controlled Entities (the Consolidated Entity), which comprises the consolidated statement of financial position as at 31 December 2023, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion the accompanying financial report of Imagion Biosystems Limited is in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the Consolidated Entity's financial position as at 31 December 2023 and of its financial performance for the year then ended; and

(ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Consolidated Entity in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the financial report, which indicates that the Consolidated Entity incurred a net loss of $12,473,916 and reported net operating cash outflows of $8,315,964 during the year ended 31 December 2023 and, as of that date, the Consolidated Entity had net current liabilities of $4,526,545 and net liabilities of $3,788,047. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Consolidated Entity's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Material Uncertainty Related to Going Concern section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	How our audit addressed this matter
Revenue recognition Refer to Note 4 in the financial statements	
The Consolidated Entity's revenue for the year ended 31 December 2023 was $4,970,756. Whilst revenue recognition does not involve significant management estimates or judgements, it is considered a Key Audit Matter because of its significance to the Consolidated Entity's reported financial performance.	Our audit procedures in relation to revenue recognition included: - Assessing whether the Consolidated Entity's revenue recognition policies were in compliance with the requirements of AASB 15 *Revenues from Contracts with Customers*; - Conducting tests of details in respect of revenue transactions for the year; and - Performing cut-off testing over transactions recorded either side of the year end, to ensure that revenues were recorded in the correct period.
Accounting for convertible notes Refer to Note 13 in the financial statements	
The Consolidated Entity entered into a convertible note funding facility with Mercer on 7 March 2023 and during the financial year obtained $3,500,000 of funds in total from this facility in three separate draw-downs. Management has assessed the convertible notes as compound financial instruments under AASB 132 *Financial Instruments: Presentation*. We considered this area as a Key Audit Matter due to the materiality of the amount and due to the complexity of the accounting treatment required under the Australian Accounting Standards.	Our audit procedures included: - reviewing the convertible securities agreement relating to the convertible notes to understand and evaluate the terms and conditions of issue, maturity and conversion; - evaluating the accounting treatment proposed to determine whether it it complies with AASB 132, and verifying that the measurement of the host liability and derivative conversion option are materially accurate; - recalculating the fair value of the instrument at each draw-down date, and its subsequent measurement at the balance date; and - assessing the appropriateness of the disclosures in the financial statements.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Consolidated Entity's annual report for the year ended 31 December 2023 but does not include the financial report and the auditor's report thereon. Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report
The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Consolidated Entity to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Consolidated Entity or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report
Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: https://www.auasb.gov.au/admin/file/content102/c3/ar2_2020.pdf.
This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report
We have audited the Remuneration Report included in the directors' report for the year ended 31 December 2023.

In our opinion, the Remuneration Report of Imagion Biosystems Limited for the year ended 31 December 2023, complies with section 300A of the *Corporations Act 2001*.

Responsibilities
The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

RSM AUSTRALIA PARTNERS

B Y CHAN

Date: 10 May 2024
Melbourne, Victoria

Corporate Governance Statement

The Company's Directors and management are committed to conducting the business of the Group in an ethical manner and in accordance with the highest standards of corporate governance. The Company has adopted and substantially complies with the *ASX Corporate Governance Principles and Recommendations* (Fourth Edition) (**Recommendations**) to the extent appropriate to the size and nature of the Group's operations.

The Company has prepared a statement which sets out the corporate governance practices that were in operation throughout the financial year for the Company, identifies any Recommendations that have not been followed, and provides reasons for not following such Recommendations (**Corporate Governance Statement**).

In accordance with ASX Listing Rules 4.10.3 and 4.7.4, the Corporate Governance Statement will be available for review on the Company's website (www.imagionbiosystems.com), and will be lodged together with an Appendix 4G with the ASX at the same time that this Annual Report is lodged with the ASX.

The Appendix 4G will particularise each Recommendation that needs to be reported against by the Company and will provide shareholders with information as to where relevant governance disclosures can be found.

The Company's corporate governance policies and charters are all available on the Company's website (www.imagionbiosystems.com).

Additional Securities Information

In accordance with ASX Listing Rule 4.10, the Company provides the following information to shareholders no

elsewhere disclosed in this Annual Report. The information provided is current as at 7 May 2024 (**Reporting Date**).

Quoted equity securities - ordinary shares

As at the Reporting Date, the Company had a total of 32,646,551 fully paid ordinary shares on issue. The Company's shares are quoted on the ASX, and form the only class of securities on issue in the Company that is quoted on the ASX, and that carries voting rights.

At a general meeting of the Company, every holder of ordinary shares is entitled to vote in person or by proxy or attorney; and on a show of hands (every person present who is a member has one vote); and on a poll (every person present in person or by proxy or attorney has one vote for each ordinary share they hold).

Range of holdings

An analysis of the number of shareholders in the Company by size of holding is as follows:

Share Range	Number of Holders	Units	%
1-1,000	4,665	1,737,247	5.321%
1,001-5,001	2,210	5,249,556	16.080%
5,001-10,000	482	3,536,425	10.832%
10,001-100,000	585	14,603,124	44.731%
100,001 and over	29	7,520,199	23.035%
Total	7,971	32,646,551	100.000%

Unmarketable Parcels

The number of shareholders holding less than a marketable parcel of shares as at the Reporting Date (based on a closing price of $0.074 per share) was 7,086.

Top 20 Shareholders

The names of the 20 largest holders of ordinary shares as at the Reporting Date are listed below:

Rank	Name	No. of shares	%
1	CITICORP NOMINEES PTY LIMITED	1,211,054	3.710%
2	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	713,860	2.187%
3	MR HAOJIE LI	610,438	1.870%
4	BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT>	542,204	1.661%
5	SKICORP PTY LTD <GULABOVSKI SF A/C>	294,002	0.901%
6	MR XUCONG WU	268,032	0.821%
7	THE BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM	263,227	0.806%
8	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED - A/C 2	253,633	0.777%
9	MR ANESTIS LAZARIDIS	243,595	0.746%
10	E & W NOMINEE PTY LTD <LIANG FAMILY SUPER FUND A/C>	240,238	0.736%
11	MR KASSEM BEDRAN	239,556	0.734%
12	WH & PR PTY LTD <ROBHOO UNIT A/C>	225,000	0.689%
13	DR REZA HAYATBAKHSH & MRS FAHIMEH MOTAMEDI	200,000	0.613%
14	FINCLEAR SERVICES PTY LTD <SUPERHERO SECURITIES A/C>	197,150	0.604%
15	BNP PARIBAS NOMS PTY LTD	186,790	0.572%
16	MR ROBERT PROULX	154,082	0.472%
17	TIMARC NOMINEES PTY LTD	150,000	0.459%
18	LONG TALL KATHY PTY LTD <LONG TALL KATHY FAMILY A/C>	140,000	0.429%
19	MISS HENGDI ZHANG	135,794	0.416%
20	MISS CHRISTINE CHEN	135,000	0.414%
	Total	**6,403,655**	**19.615%**
	Balance of register	**26,242,896**	**80.385%**
	Grand total	**32,646,551**	**100.000%**

Substantial Shareholders

There were no substantial holders of shares in the Company as at the Reporting Date.

Escrowed securities

There are no escrowed securities in the Company as at the Reporting Date.

Unquoted equity securities

The Company has two classes of unquoted equity securities on issue, being Performance Rights and Options.

Performance Rights

The Performance Rights will vest into ordinary shares (on a 1-for-1 basis), subject to satisfaction of prescribed vesting conditions.

None of the Performance Rights carry any voting rights. However, any underlying shares issued upon the vesting or conversion of the Performance Rights will carry equal voting rights with the other share on issue in the Company.

As at the Reporting Date, there were a total of 25,000 Performance Rights on issue, held by one holder.

An analysis of the number of Performance Rights holders by size of holding is as follows:

Range	Number of Holders	Units	%
1-1,000	-	-	0.000%
1,001-5,001	-	-	0.000%
5,001-10,000	-	-	0.000%
10,001-100,000	1	25,000	100.000%
100,001 and over	-	-	0.000%
Total	1	25,000	100.000%

Options

The Options upon exercise will convert into ordinary shares (on a 1-for-1 basis), subject to various exercise prices and expiry dates.

None of the Options carry any voting rights. However, any underlying shares issued upon the vesting or conversion of the Options will carry equal voting rights with the other share on issue in the Company.

As at the Reporting Date, there were a total of 4,077,340 Options on issue, held by 52 holders.

An analysis of the number of Option holders by size of holding is as follows:

Range	Number of Holders	Units	%
1-1,000	-	-	0.000%
1,001-5,001	10	35,070	0.860%
5,001-10,000	12	79,792	1.957%
10,001-100,000	25	854,762	20.964%
100,001 and over	5	3,107,716	76.219%
Total	52	4,077,340	100.000%

Corporate Directory

Directors

Mr Robert Proulx	Executive Chairman / President
Mr Michael Harsh	Non-Executive Director
Mr David Ludvigson	Non-Executive Director
Ms Jovanka Naumoska	Non-Executive Director (resigned 2 May 2024)
Mr Mark Van Asten	Non-Executive Director
Ms Dianne Angus	Non-Executive Director (resigned 2 May 2024)
Mr Isaac Bright	Managing Director (resigned 15 January 2024)

Company Secretary
Mr Geoff Hollis (resigned 10 May 2024)

Registered Office
c/o - K&L Gates
Level 25, 525 Collins Street
Melbourne, VIC, 3000, Australia

Principal Place of Business (through 30 April 2024)
5601 Oberlin Drive
Suite 100
San Diego, CA, 92121, USA

Share Registry
Boardroom Pty Limited
Level 12, 225 George Street
Sydney, NSW, 2000, Australia

Auditor
RSM Australia Partners
Level 27, 120 Collins St
Melbourne, VIC, 3000, Australia

Australian Legal Advisor
K&L Gates
Level 25, 525 Collins Street
Melbourne, VIC, 3000, Australia

Stock Exchange
Imagion Biosystems Limited's shares are listed on the Australian Stock Exchange (ASX ticker: IBX)