



**IMAGION BIOSYSTEMS LIMITED**

**PRELIMINARY REPORT AND APPENDIX 4E**

**FOR THE YEAR ENDED 31 DECEMBER 2018**

1. Reporting period (“current period”): Year ended 31 December 2018  
 Previous corresponding period: Year ended 31 December 2017

2. Results for announcement to the market

Item		Movement	\$AUD
Revenue	up	9.57% to	371,489
(Loss) from ordinary activities after tax attributable to members	down	7.00% to	(8,340,013)
Net (loss) for the period attributable to members	down	7.00% to	(8,340,013)

	Amounts per share \$AUD	Franked amount per share \$AUD
<i>Dividends</i>		
Final	-	-
Interim	-	-

Record date for determining entitlements to dividends N/A

The loss for the Company after providing for income tax amounted to \$8,340,013. The Company continued with its research & development strategy during the year. The Company did not declare a dividend for the year.

3. Consolidated Statement of Profit and Loss and Other Comprehensive Income

Refer to the attached Financial Statements together with note for the year ended 31 December 2018.

4. Consolidated Statement of Financial Position

Refer to the attached Financial Statements together with note for the year ended 31 December 2018.

5. Consolidated Statement of Cash Flows

Refer to the attached Financial Statements together with note for the year ended 31 December 2018.

6. Consolidated Statement of Changes in Equity

Refer to the attached Financial Statements together with note for the year ended 31 December 2018.

7. Dividends

*Current period:*

There were no dividends paid, recommended or declared during the period.

*Previous period:*

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

## 8. Dividend reinvestment plans

The dividend reinvestment plans shown below are in operation:

None

Last date for receipt of election notices for the dividend reinvestment plan:

N/A

## 9. Net tangible assets

	<b>31 Dec 2018</b> <b>\$AUD</b>	<b>31 Dec 2017</b> <b>\$AUD</b>
Net tangible asset backing per ordinary share	0.0120	0.0341

## 10. Details of entities over which control has been gained or lost

N/A

## 11. Details of associates and joint venture entities

N/A

## 12. Any other significant information

N/A

## 13. Foreign Entities

Details of origin of Accounting Standards used in compiling report:

Imagion Biosystems Limited owns 100% of Imagion Biosystems Inc. This company prepares their financial statements in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

## 14. Results for the period

### 14.1 Earnings per security

	<b>31 Dec 2018</b> cents	<b>31 Dec 2017</b> cents
Basic earnings per share	(0.0378)	(0.0507)
Diluted earnings per share	(0.0378)	(0.0507)
Weighted average no. of ordinary shares outstanding during the period used in the calculation of basic EPS	220,883,627	153,835,959

### 14.2 Returns to shareholders

N/A

### 14.3 Significant features of operating performance

Revenue for the year ended 31 December 2018 was \$371,489. Profit/(Loss) for the year ended 31 December 2018 was (\$8,340,013). Imagion Biosystems is currently in the Research and Development phase and will continue to complete Research and Development in the future.

### 14.4 Segment results

#### *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 determine the allocation of resources.

### 14.5 Trends in performance

Refer to Item 2 within the Appendix 4E.

14.6 Any other factors which have affected the results in the period which are likely to affect the result in the future, including those where the effect could not be quantified:

N/A

## 15. Status of Audit

The audit is in progress and will be completed when the financial statements are issued.

## 16. Description of any likely audit dispute or qualification:

There are no disputes or qualifications being considered by the auditors.

Signed:



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Robert Proulx  
Director

Dated: 28 February 2019



**IMAGION BIOSYSTEMS LIMITED**  
**FINANCIAL STATEMENTS – FOR THE YEAR ENDED 31 DECEMBER 2018**

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**Imagion Biosystems Limited**  
**Consolidated Statement of Profit and Loss and Other Comprehensive Income**  
**For the year ended 31 December 2018**

	Note	2018 \$	2017 \$
<b>Revenue and other income</b>	<b>1</b>	371,489	339,057
<b>Expenses</b>			
Research & development costs		(3,295,676)	(2,155,714)
Employee salaries and expenses		(3,128,280)	(2,100,536)
Professional fees		(525,302)	(1,084,342)
General expenses		(1,148,459)	(1,026,512)
Share based payments expense		(837,133)	(623,927)
Depreciation		(213,791)	(206,834)
Foreign exchange gain(loss)		444,892	(529)
Interest		-	(858,583)
Finance costs		(7,753)	(76,682)
<b>Loss before income tax expense</b>		<b>(8,340,013)</b>	<b>(7,794,602)</b>
Income tax expense		-	-
<b>Loss after income tax expense</b>		<b>(8,340,013)</b>	<b>(7,794,602)</b>
<b>Other comprehensive income</b>			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation reserve		(411,997)	61,575
Income tax relating to these items		-	-
Other comprehensive income/(loss) for the year, net of tax		(411,997)	61,575
<b>Total comprehensive income/(loss) for the year</b>		<b>(8,752,010)</b>	<b>(7,733,027)</b>
Loss attributable to:			
Owners of Imagion Biosystems Limited		<b>(8,752,010)</b>	<b>(7,733,027)</b>
<b>Loss per share attributable to the owners of Imagion Biosystem Limited</b>			
		<b>Cents</b>	<b>Cents</b>
Basic loss per share	<b>10</b>	(0.0378)	(0.0507)
Diluted loss per share	<b>10</b>	(0.0378)	(0.0507)

*The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.*

**Imagion Biosystems Limited**  
**Consolidated Statement of Financial Position**  
**As at 31 December 2018**

	Note	2018 \$	2017 \$
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	2	4,367,097	6,872,829
Trade and other receivables		140,481	8,704
Other current assets	3	<u>408,021</u>	<u>387,690</u>
Total current assets		<u>4,915,599</u>	<u>7,269,223</u>
<b>Non-current assets</b>			
Property, plant and equipment	4	<u>271,860</u>	<u>372,103</u>
Total non-current assets		<u>271,860</u>	<u>372,103</u>
<b>Total assets</b>		<u>5,187,459</u>	<u>7,641,326</u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	5	1,187,992	564,663
Lease liability		36,082	30,684
Employee benefits		<u>75,723</u>	<u>44,094</u>
Total current liabilities		<u>1,299,797</u>	<u>639,441</u>
<b>Non-current liabilities</b>			
Lease liability		<u>18,434</u>	<u>49,329</u>
Total non-current liabilities		<u>18,434</u>	<u>49,329</u>
<b>Total liabilities</b>		<u>1,318,231</u>	<u>688,770</u>
<b>Net assets</b>		<u><b>3,869,228</b></u>	<u><b>6,952,556</b></u>
<b>Equity</b>			
Issued capital	6	33,182,325	28,686,708
Reserves	7	1,899,938	1,138,870
Accumulated losses	8	<u>(31,213,035)</u>	<u>(22,873,022)</u>
<b>Total equity</b>		<u><b>3,869,228</b></u>	<u><b>6,952,556</b></u>

*The above consolidated statement of financial position should be read in conjunction with the accompanying notes.*



**Imagion Biosystems Limited**  
**Consolidated Statement of Changes in Equity**  
**As at 31 December 2018**

<b>Consolidated</b>	<b>Issued Capital \$</b>	<b>Reserves \$</b>	<b>Accumulated Losses \$</b>	<b>Total Equity \$</b>
Balance at 1 January 2017	2	453,368	(15,078,420)	(14,625,050)
Loss after income tax expense for the year	-	-	(7,794,602)	(7,794,602)
Other comprehensive income for the year, net of tax	-	61,575	-	61,575
Total comprehensive income for the year	-	61,575	(7,794,602)	(7,733,027)
<i>Transactions with owners in their capacity as owners:</i>				
Contributions of equity	32,610,259	-	-	32,610,259
Cost of contributions of equity	(3,923,553)	-	-	(3,923,553)
Share-based payments	-	623,927	-	623,927
Balance at 31 December 2017	<u>28,686,708</u>	<u>1,138,870</u>	<u>(22,873,022)</u>	<u>6,952,556</u>
	<b>Issued Capital \$</b>	<b>Reserves \$</b>	<b>Accumulated Losses \$</b>	<b>Total Equity \$</b>
Balance at 1 January 2018	28,686,708	1,138,870	(22,873,022)	6,952,556
Loss after income tax expense for the year	-	-	(8,340,013)	(8,340,013)
Other comprehensive income for the year, net of tax	-	(411,997)	-	(411,997)
Total comprehensive income for the year	-	(411,997)	(8,340,013)	(8,752,010)
<i>Transactions with owners in their capacity as owners:</i>				
Contributions of equity	5,146,705	-	-	5,146,705
Cost of contributions of equity	(651,088)	-	-	(651,088)
Share-based payments	-	1,173,065	-	1,173,065
Balance at 31 December 2018	<u>33,182,325</u>	<u>1,899,938</u>	<u>(31,213,035)</u>	<u>3,869,228</u>

*The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.*

**Imagion Biosystems Limited**  
**Consolidated Statement of Cash Flows**  
**For the year ended 31 December 2018**

	Note	Consolidated	
		2018	2017
		\$	\$
<b>Cash flows from operating activities</b>			
Receipts from customers (inclusive of sales and other taxes)		154,457	125,158
Payments to suppliers and employees (inclusive of sales and other taxes)		(6,786,076)	(7,017,667)
Interest received		67,078	51,213
Interest and other finance costs paid		<u>(2,669)</u>	<u>(136,089)</u>
Net cash from operating activities	<b>9</b>	(6,567,210)	(6,977,385)
<b>Cash flows from investing activities</b>			
Payment for property, plant and equipment		<u>(83,565)</u>	<u>(369,606)</u>
Net cash used in investing activities		<u>(83,565)</u>	<u>(369,606)</u>
<b>Cash flows from financing activities</b>			
Lease repayments		(128,493)	(99,294)
Proceeds from financing arrangements		-	213,375
Proceeds from the issue of shares		4,285,884	18,208,278
Share issue costs		(54,189)	(1,109,420)
Proceeds from note issue		-	81,169
Repayment of notes		<u>-</u>	<u>(3,108,683)</u>
Net cash used in financing activities		<u>4,103,202</u>	<u>14,185,425</u>
Net increase/(decrease) in cash and cash equivalents		(2,547,573)	6,838,434
Cash and cash equivalents at the beginning of the financial year		6,872,829	27,641
Effects of exchange rate changes on cash and cash equivalents		<u>41,841</u>	<u>6,754</u>
Cash and cash equivalents at the end of the financial year		<u><u>4,367,097</u></u>	<u><u>6,872,829</u></u>

*The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.*

**Imagion Biosystems Limited**  
**Notes to the Financial Statements**  
**For the year ended 31 December 2018**

**Note 1. Revenue**

	<b>Consolidated</b>	
	<b>2018</b>	<b>2017</b>
	<b>A\$</b>	<b>A\$</b>
<i>Sales revenue</i>		
Sale of goods	191,477	20,102
	<u>191,477</u>	<u>20,102</u>
<i>Other revenue</i>		
Interest	36,955	81,620
Other income	143,057	109,459
Fair value of financial derivative movement	-	127,876
	<u>180,012</u>	<u>318,955</u>
Revenue	<u><u>371,489</u></u>	<u><u>339,057</u></u>

**Note 2. Current assets - cash and cash equivalents**

	<b>Consolidated</b>	
	<b>2018</b>	<b>2017</b>
	<b>A\$</b>	<b>A\$</b>
Cash on hand	16	2
Cash at bank	4,367,081	837,320
Cash on deposit	-	6,035,507
	<u>4,367,097</u>	<u>6,872,829</u>

*Reconciliation to cash and cash equivalents at the end of the financial year*

The above figures are reconciled to cash and cash equivalents at the end of the financial year as shown in the statement of cash flows as follows:

Balances as above	4,367,097	6,872,829
Balance as per statement of cash flows	<u><u>4,367,097</u></u>	<u><u>6,872,829</u></u>

**Note 3. Current assets - other**

	<b>Consolidated</b>	
	<b>2018</b>	<b>2017</b>
	<b>A\$</b>	<b>A\$</b>
Prepayments	52,885	340,555
Other assets	355,136	16,974
Accrued interest income	-	30,161
	<u>408,021</u>	<u>387,690</u>

**Imagion Biosystems Limited**  
**Notes to the Financial Statements**  
**For the year ended 31 December 2018**

**Note 4. Non-current assets - property, plant and equipment**

	<b>Consolidated</b>	
	<b>2018</b>	<b>2017</b>
	<b>A\$</b>	<b>A\$</b>
Plant and equipment - at cost	1,328,260	1,123,017
Less: accumulated depreciation	<u>(1,056,400)</u>	<u>(750,914)</u>
	<b><u>271,860</u></b>	<b><u>372,103</u></b>

*Reconciliation*

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

	<b>Consolidated</b>	
	<b>2018</b>	<b>2017</b>
	<b>A\$</b>	<b>A\$</b>
<b>Consolidated – Plant &amp; Equipment</b>		
Opening Balance	372,103	218,477
Additions	87,181	369,606
Disposals	-	-
Foreign currency revaluation movements	26,367	(9,460)
Depreciation expense	<u>(213,791)</u>	<u>(206,520)</u>
Closing Balance	<b><u>271,860</u></b>	<b><u>372,103</u></b>

**Note 5. Current liabilities - trade and other payables**

	<b>Consolidated</b>	
	<b>2018</b>	<b>2017</b>
	<b>A\$</b>	<b>A\$</b>
Trade payables	983,680	401,658
Other payables	<u>204,312</u>	<u>163,005</u>
	<b><u>1,187,992</u></b>	<b><u>564,663</u></b>

**Imagion Biosystems Limited**  
**Notes to the Financial Statements**  
**For the year ended 31 December 2018**

**Note 6. Equity - 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.

	<b>2017</b>	<b>Consolidated</b>	<b>2017</b>	<b>2018</b>
	<b>Shares</b>	<b>Shares</b>	<b>A\$</b>	<b>A\$</b>
Ordinary shares - fully paid	203,766,163	322,742,824	28,686,708	33,182,325

*Movements in ordinary share capital*

<b>Details</b>	<b>Date</b>	<b>Shares</b>	<b>Issue Price</b>	<b>A\$</b>
Balance at 1 January 2017	1 January 2017	20	0.10	2
Issue of shares	7 February 2017	29,629,637	0.09	2,666,667
Issue of shares	7 February 2017	32,553,959	0.11	3,580,935
Issue of shares	7 February 2017	64,099,456	0.15	9,797,733
Issue of shares	22 June 2017	3,333,091	0.52	1,734,924
Issue of shares	22 June 2017	74,150,000	0.20	14,830,000
Sub total	31 December 2017	<u>203,766,163</u>		<u>32,610,261</u>
Costs of capital raising				<u>(3,923,553)</u>
Closing balance				<u>28,686,708</u>

*Movements in ordinary share capital*

<b>Details</b>	<b>Date</b>	<b>Shares</b>	<b>Issue Price</b>	<b>A\$</b>
Issue of shares (share based payment)	6 June 2018	10,529,053	0.062	652,801
Issue of shares (rights issue)	24 October 2018	10,288,098	0.04	411,524
Issue of shares (rights issue)	28 November 2018	96,859,510	0.04	3,874,380
Issue of shares (performance shares)	28 November 2018	1,300,000	0.16	208,000
Sub total	31 December 2018	<u>322,742,824</u>		<u>33,833,413</u>
Costs of capital raising				<u>(651,088)</u>
Closing balance				<u>33,182,325</u>

On 6 June 2018, the consolidated entity issued an additional 10,529,053 shares to the University of Texas MD Anderson Cancer Center, as payment for the consolidated entity's contribution to ongoing research being conducted by the Cancer Center. The shares have been valued at the fair value on the date of issue.

The consolidated entity completed a rights issue that ultimately raised \$4,285,904 (before costs) in two tranches:

- \$411,524 raised on 24 October 2018, through a non-renounceable rights issue of 10,288,098 shares at \$0.04 to existing shareholders.
- \$3,874,380 raised on 28 November 2018, through a placement of 96,859,510 shares at \$0.04 to sophisticated and professional investors.

On 28 November 2018, 1,300,000 vested performance shares were converted into ordinary shares. The performance shares were issued to current and previous employees.

**Imagion Biosystems Limited**  
**Notes to the Financial Statements**  
**For the year ended 31 December 2018**

**Note 6. Equity - issued capital (continued)**

*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.

In order to maintain or adjust the capital structure, the consolidated entity may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The consolidated entity would look to raise capital when an opportunity to invest in a business or company was seen as value adding relative to the current consolidated entity's share price at the time of the investment. The consolidated entity is not actively pursuing additional investments in the short-term as it continues to integrate and grow its existing businesses in order to maximise synergies.

**Note 7. Equity - reserves**

	<b>Consolidated</b>	
	<b>2018</b>	<b>2017</b>
	<b>A\$</b>	<b>A\$</b>
Share based payment reserve – options	1,796,992	623,927
Foreign currency translation reserve	<u>102,946</u>	<u>514,943</u>
Total	<u><u>1,899,938</u></u>	<u><u>1,138,870</u></u>

*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.

*Movements in reserves*

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

<b>Consolidated</b>	<b>Share based payment reserve</b>	<b>Foreign currency reserve</b>	<b>Total</b>
	<b>A\$</b>	<b>A\$</b>	<b>A\$</b>
Balance at 1 January 2017	-	453,368	453,368
Movements in revaluation of foreign currency through translation reserve	-	61,575	61,575
Share based payments for key management, non-executive directors and employees	623,927	-	623,927
Balance at 31 December 2017	<u>623,927</u>	<u>514,943</u>	<u>1,138,870</u>
Movements in revaluation of foreign currency through translation reserve	-	(411,997)	(411,997)
Share based payments for key management, non-executive directors and employees	<u>1,173,065</u>	<u>-</u>	<u>1,173,065</u>
Balance at 31 December 2018	<u><u>1,796,992</u></u>	<u><u>102,946</u></u>	<u><u>1,899,938</u></u>

**Imation Biosystems Limited**  
**Notes to the Financial Statements**  
**For the year ended 31 December 2018**

**Note 8. Accumulated Losses**

	<b>Consolidated</b>	<b>2017</b>
	<b>2018</b>	<b>A\$</b>
	<b>A\$</b>	<b>A\$</b>
Accumulated Losses at the beginning of the financial year	(22,873,022)	(15,078,420)
Losses after income tax expense for the year	(8,340,013)	(7,794,602)
Dividends paid	-	-
	<u>                    </u>	<u>                    </u>
Accumulated Losses at the end of the financial year	<u>(31,213,035)</u>	<u>(22,873,022)</u>

**Note 9. Reconciliation of loss after income tax to net cash flows from operating activities**

	<b>Consolidated</b>	<b>2017</b>
	<b>2018</b>	<b>\$</b>
	<b>\$</b>	<b>\$</b>
<i>Loss after income tax expense for the year</i>	(8,340,013)	(7,794,602)
<i>Adjustments for:</i>		
Depreciation expense	213,791	206,834
Refundable Deposit	(123,112)	-
Fair value adjustment	(140,036)	(127,877)
Foreign exchange loss	(444,892)	529
Share based payments expense	837,133	623,927
Direct Equity Raising Costs	(57,894)	-
Collaboration Expenses	869,811	-
Interest	-	858,582
	<u>(7,185,212)</u>	<u>(6,232,607)</u>
<i>Changes in operating assets and liabilities:</i>		
Trade and other receivables	(44,583)	(66,046)
Prepayments	287,670	(331,332)
Trade and other payables	371,450	(364,374)
Monies in trust	3,465	16,974
	<u>                    </u>	<u>                    </u>
Net cash used in operating activities	<u>(6,567,210)</u>	<u>(6,977,385)</u>

**Imagion Biosystems Limited**  
**Notes to the Financial Statements**  
**For the year ended 31 December 2018**

**Note 10. Earnings per share**

	<b>Consolidated</b>	
	<b>2018</b>	<b>2017</b>
	<b>A\$</b>	<b>A\$</b>
Loss after income tax	<u>(8,340,013)</u>	<u>(7,794,602)</u>
Loss after income tax attributable to the owners of Imagion Biosystems Limited	<u>(8,340,013)</u>	<u>(7,794,602)</u>
	<b>Number</b>	
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>220,883,627</u>	<u>153,835,849</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>220,883,627</u>	<u>153,835,849</u>
	<b>Cents</b>	
Basic earnings per share	(0.0378)	(0.0507)
Diluted earnings per share	(0.0378)	(0.0507)