



Imagion Biosystems

December 2018 Quarterly Update

MELBOURNE — 31 January 2019 — Imagion Biosystems Limited (ASX: IBX) (the **Company**), a company dedicated to improving healthcare through the earlier detection of cancer, is pleased to provide an update on its activities for the quarter ended 31 December 2018.

Corporate Highlights

During the quarter Imagion Biosystems entered a Master Service Agreement with the highly regarded Australian healthtech innovation and commercialization company Planet Innovation. Under the agreement, Planet Innovation's world class engineering and product development team will work with Imagion Biosystems to develop Imagion's MagSense™ instrument technology. In December Planet Innovation's and Imagion Biosystems kicked off the project for the instrument system to support the Company's future pivotal clinical studies.

In November Imagion Biosystems raised a total of \$4.3 million (before costs) through the successful completion of the rights offering and placement of the shortfall shares under the 1-for-2 pro-rata non-renounceable rights issue which had been announced on the basis of 1 new share for every 2 Imagion Biosystems shares held as of 7.00pm (Melbourne time) Friday 28 September 2018.

A total of 96,859,510 new shares were issued by the Company under the shortfall placement at the Rights Issue offer price of \$0.04 per share. In addition, the Company issued 34,420,000 Options (each exercisable at \$0.06, expiring 24 months after date of issue) to the Lead Manager, Pamplona Corporate, Pty (or its nominee), as part of its placement selling fees. The funds will be used by the Company to support R&D and basic business operations, including toxicology testing of its lead cancer diagnostic product, as the Company makes progress toward first-in-human testing.

Corporate Outlook

In the first quarter of 2019 Imagion Biosystems expects to undertake testing of the MagSense nanoparticle formulation for safety and toxicity. This is a significant de-risking milestone insofar as the study will demonstrate the biological safety of the MagSense nanoparticle formulation and clear the way for use in human studies. Regulatory and institutional review by the clinical study site will take place following the toxicology study.

The Company is working with its contract manufacturing partner to have the nanoparticles made under Good Manufacturing Procedures (GMP), a requirement for use in human studies, in time for the first-in-human testing, now expected in calendar Q3.

Based on the current cash position and the slight change in schedule compared to prior guidance, the Company has implemented a reduced expenditure plan to conserve cash while seeking additional financing.

About Imagion Biosystems

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

WHERE BIOTECHNOLOGY & NANOTECHNOLOGY MEET



For further information please visit www.imagionbiosystems.com

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Appendix 4C

Quarterly report for entities subject to Listing Rule 4.7B

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

Name of entity

Imagion Biosystems Limited

ABN

42 616 305 027

Quarter ended ("current quarter")

31 December 2018

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	79	159
1.2 Payments for		
(a) research and development	(861)	(2,555)
(b) product manufacturing and operating costs	-	-
(c) advertising and marketing	(5)	(81)
(d) leased assets	-	(5)
(e) staff costs	(768)	(3,320)
(f) administration and corporate costs	(253)	(986)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	6	67
1.5 Interest and other costs of finance paid	(1)	(2)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (GST Refund)	10	50
1.9 Net cash from / (used in) operating activities	(1,793)	(6,673)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	(33)
(b) businesses (see item 10)	-	-
(c) investments	-	-

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
(d) intellectual property	-	-
(e) other non-current assets	-	-
2.2 Proceeds from disposal of:		
(a) property, plant and equipment	-	-
(b) businesses (see item 10)	-	-
(c) investments	-	-
(d) intellectual property	-	-
(e) other non-current assets	-	-
2.3 Cash flows from loans to other entities	-	-
2.4 Dividends received (see note 3)	-	-
2.5 Other (provide details if material)	-	-
2.6 Net cash from / (used in) investing activities	-	(33)

3. Cash flows from financing activities		
3.1 Proceeds from issues of shares	4,286	4,286
3.2 Proceeds from issue of convertible notes	-	-
3.3 Proceeds from exercise of share options	-	-
3.4 Transaction costs related to issues of shares, convertible notes or options	(54)	(54)
3.5 Proceeds from borrowings	-	-
3.6 Repayment of borrowings	(36)	(130)
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other (provide details if material)	-	-
3.10 Net cash from / (used in) financing activities	4,196	4,102

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of quarter/year to date	1,986	6,901
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(1,793)	(6,673)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	-	(33)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	4,196	4,102

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	(22)	70
4.6	Cash and cash equivalents at end of quarter	4,367	4,367

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	4,367	1,986
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	4,367	1,986

6. Payments to directors of the entity and their associates

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

Current quarter \$A'000
108
-

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7. Payments to related entities of the entity and their associates

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

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


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9. Estimated cash outflows for next quarter	\$A'000
9.1 Research and development	1,256
9.2 Product manufacturing and operating costs	-
9.3 Advertising and marketing	-
9.4 Leased assets	16
9.5 Staff costs	688
9.6 Administration and corporate costs	693
9.7 Other (provide details if material)	
9.8 Total estimated cash outflows	2,652

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

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here: 
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Director

Date: 31 January 2019

Print name: Robert Proulx

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.