

IMAGION BIOSYSTEMS LIMITED

ASX: IBX

30 April 2024

Quarterly Activity Report – quarter ending 31 March 2024

MELBOURNE – Imagion Biosystems (ASX:IBX), a company dedicated to improving healthcare through the early detection of cancer, provides this business update for shareholders and the markets.

On 29 February 2024, the company lodged unaudited year end financials but did not lodge the audited financial report as required which resulted in a suspension of trading by the ASX on 31 March 2024. As previously communicated, in the face of challenging market and financial conditions the Company has been pursuing a wide range of strategic financial and restructuring options while undertaking significant cost reduction measures since last October.

The cost reduction measures include a significantly reduced workforce, no director fees and cessation of nanoparticle manufacturing whilst the Company 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 Company's financial position.

"We understand the impact the extended suspension of trading of our Company's shares may have for our shareholders", said Bob Proulx, Executive Chairman, "and we thank our shareholders for their patience as we continue to work through our current financial situation."

If no partnering or acquisition offers are resolved, the Company will need to cease operation.

Summary of cash flows

Imagion's cash balance as at 31 December 2023 was AU\$94k, a decrease of AU\$133k from the prior quarter. The Company reported an operating cash outflow of AU\$142k in the quarter. These cash flows were funded by \$694k receipts from customers (nanoparticle sales).

Payroll costs were significantly reduced with the business maintaining a small level of staffing during Q1 2024 to oversee remaining nanoparticle manufacturing contracts.

Whilst receipts from customers remained strong all nanoparticle orders have now been filled and our manufacturing capabilities are now on hold as of the date of this report.



The Company also paid \$27k to related parties and their associates during the quarter for executive director salaries (being Dr Isaac Bright's final payment). However, it should be noted that all directors suspended their fees effective 1st December 2023, and that Mr. Proulx is receiving no compensation at this time as a director or for his executive role.

— ENDS —

About Imagion Biosystems

Established in 2017 and headquartered in the San Diego, California, US, Imagion Biosystems is an ASX-listed company dedicated to developing innovative medical imaging technologies for various cancer types. Imagion Biosystems is advancing clinical development of its MagSense® platform technology to revolutionize cancer diagnosis, introducing molecular imaging to MRI. The Company's lead program has demonstrated its innovative technology embodied in MagSense® HER2 Imaging Agent (MSH2IA) is safe and well-tolerated in patients diagnosed with HER2+ breast cancer. Imagion Biosystems' MagSense® pipeline includes prostate cancer, ovarian cancer, pancreatic cancer, and brain cancer programs.

For more information, visit <https://imaginationbiosystems.com/investor-hub/>

Authorisation & Additional information

This announcement was authorised by the Disclosure Committee of Imagion Biosystems Limited.

Media & Investor Relations:

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Appendix 4C

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

Name of entity

Imagion Biosystems Limited

ABN

42 616 305 027

Quarter ended ("current quarter")

31 March 2024

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	694	694
1.2	Payments for		
	(a) research and development	(41)	(41)
	(b) product manufacturing and operating costs	-	-
	(c) advertising and marketing	-	-
	(d) leased assets	-	-
	(e) staff costs	(695)	(695)
	(f) administration and corporate costs	(158)	(158)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	-	-
1.5	Interest and other costs of finance paid	(1)	(1)
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	28	28
1.8	Other (provide details if material)	32	32
1.9	Net cash from / (used in) operating activities	(142)	(142)
2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-

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

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
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.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	227	227
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(142)	(142)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-
4.5	Effect of movement in exchange rates on cash held	9	9
4.6	Cash and cash equivalents at end of period	94	94

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	94	227
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)	94	227

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	27
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

7.	Financing facilities <i>Note: the term “facility” includes all forms of financing arrangements available to the entity.</i> <i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A’000	Amount drawn at quarter end \$A’000
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	15,000	3,500
7.4	Total financing facilities	15,000	3,500
7.5	Unused financing facilities available at quarter end	N/A	
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		
The Company has a \$15 million convertible note facility with \$11.5 million undrawn at quarter end. The remaining \$11.5 million is subject to use of the Company’s 15% placement capacity as well as mutual consent with the lender and the Company prior to drawdown. Given the lender’s floor price is now above the Company’s share price there is minimal likelihood of being able to draw further on this facility in the short-term. The facility is secured over the Company’s assets and has no coupon payable.			

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(142)
8.2	Cash and cash equivalents at quarter end (item 4.6)	94
8.3	Unused finance facilities available at quarter end (item 7.5)	-
8.4	Total available funding (item 8.2 + item 8.3)	94
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1)	0.7
<i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>		
8.6	If item 8.5 is less than 2 quarters, please provide answers to the following questions:	
8.6.1	Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
	Answer: The Company has been reducing its work force since October 2023 and continues to reduce its cost base. Recent nanoparticle manufacturing orders have been filled and these activities have now ceased. As of end April 2024 the Company will be vacating its premises. The main focus in the short-term is to continue to find a pathway to recapitalisation and reduce amounts owing to creditors.	
8.6.2	Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
	Answer: The Company is anticipating receipts from nanoparticles sales (already shipped), equipment sales and its R&D tax incentive in Q2 2024 totalling ~\$0.7 million. This will not clear current creditor balances and the Company has therefore been in discussions with several parties looking to restructure the Company. To date these haven't resulted in a successful outcome and further updates will be provided should any of these discussions result in an outcome that can provide a pathway forward for the Company.	

8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: The continuation of the Company's operations and our ability to meet our objectives will be dependent on successful execution of the initiatives outlined in the answer to 8.6.2. Refer to the accompanying announcement for further details.

Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.

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.

30 April 2024

Date:

By the Board of Imagion Biosystems Limited

Authorised by:
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.