

IMAGION BIOSYSTEMS LIMITED

(ASX: IBX)

25 August 2020

Appendix 4D and Half Year Results H1 2020

Highlights

- Significant advancements towards initiating first-in-human study, on track to commence in Q4
- Balance sheet strengthened by \$2.5 million through an oversubscribed Rights Issue and shortfall placement
- \$2.2 million R&D tax rebate received for 2019 fiscal year
- Subsequent to close of H1 \$5 million in proceeds received from oversubscribed placement in July and \$1.29 million received from options exercised
- Pro forma cash position improved to \$10.2 million as of 18 August 2020

MELBOURNE — Imagion Biosystems (ASX: IBX), a company dedicated to improving healthcare through the earlier detection of cancer, has today released its Appendix 4D and Financial Results for the Half Year ended 30 June 2020 (H1 2020).

Strong H1 Operational Execution

During the first half of 2020, despite the adversities imposed by the global coronavirus pandemic, Imagion made significant advancements towards its next major milestone of undertaking a first-in-human study of its novel MagSense™ technology for the detection and staging of HER2 metastatic breast cancer.

Key achievements in H1 have included:

- Completing the first, and technically most challenging, phase of manufacturing of the MagSense™ nanoparticle formulation to be used in the study;
- Initiating regulatory and clinical activities to undertake the first-in-human study in Australia; and
- Establishing a collaboration with Siemens Healthineers and expanding the scope of the study to include Magnetic Resonance Imaging (MRI) as an additional imaging mode alongside the company's proprietary magnetic relaxometry technology.

In January 2020, the Company appointed Dr Oliver Steinbach as Vice President Clinical and Regulatory Affairs to lead execution of the first-in-human study and oversee the Company's clinical and regulatory strategy.

In May 2020, the Company announced the appointment of Ms Dianne Angus to its Board of Directors.

Improved Financial Position

At the end of H1, the Company's cash balance stood at \$4.3 million. This included proceeds of \$2.5 million raised in an oversubscribed Rights Issue and shortfall placement completed in April 2020. Imagion also received \$2.2 million non-dilutive capital from the Australian Taxation Office related to its 2019 R&D tax incentive claim.

Total cash outflows over the period were \$3.8 million, a 9% increase vs H1 2019, resulting in a net loss after tax of \$1.7 million. The change from the prior period reflects increased expenditures incurred as a result of commencing manufacturing and making preparations for the Company's first-in-human clinical study.

Imagion Biosystems Limited

ACN 616 305 027

Level 25, 525 Collins Street, Melbourne VIC 3000

www.imagionbiosystems.com

Subsequent to the half year end, Imagion's cash balance has been further strengthened with the receipt of \$5 million raised in a successful oversubscribed placement, followed by the receipt of \$1.29 million for the exercise of unlisted options issued under the terms of the 2018 Rights Issue. On a pro forma basis and based on the Company's cash position at 30 June, these additions increase Imagion's cash position to \$10.2 million as of 18 August 2020.

Executive Chairman and CEO Bob Proulx said, "This has been a break-through period for Imagion, and we are excited to now be in the final stages of preparing to initiate our Phase I, first-in-human study during Q4.

"We have strengthened our balance sheet and have sufficient funding to see us beyond completion of the Phase I study. We are also in a position to begin accelerating new development programs that will enable additional commercial opportunities and demonstrate the value of our nanoparticle technology.

"We thank shareholders for their support and look forward to continuing to deliver on our business objectives."

-ENDS

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.

For further information please visit www.imagionbiosystems.com

Authorisation & Additional information

This announcement was authorised by the Board of Directors of Imagion Biosystems Limited.

U.S. Media Contact:

Matthew Wygant
matthew@biotechwriting.com
+1-408-905-7630

Australian Media & Investor Relations:

Kyahn Williamson, WE Communications
We-AUImagionBiosystems@we-worldwide.com
+61 (0) 401018828

Imagion Biosystems Limited
Appendix 4D
Half-year report
30 June 2020

1. Company details

Name of entity:	Imagion Biosystems Limited
ABN:	42 616 305 027
Reporting period:	For the half-year ended 30 June 2020
Previous period:	For the half-year ended 30 June 2019

2. Results for announcement to the market

				\$
2.1 Revenues from ordinary activities	down	61.1%	to	117,093
2.2 Loss from ordinary activities after tax attributable to the owners of Imagion Biosystems Limited	up	76.2%	to	(1,738,496)
2.3 Loss for the half-year attributable to the owners of Imagion Biosystems Limited	up	64.7%	to	(1,705,332)

Note

Dividends

There were no dividends paid or declared during the current financial period.

Comments

The loss for the consolidated entity after providing for income tax amounted to \$1,738,496 (30 June 2019: \$986,690).

3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	0.47	0.58

4. Control or loss gained over entities

The group did not gain control or lose control over any entities in the period.

5. Joint Ventures

The Group is not involved in any joint ventures.

Imagion Biosystems Limited
Appendix 4D
Half-year report

6. Audit qualification or review

Details of audit/review dispute or qualification (if any):

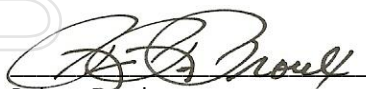
The financial statements were subject to a review by the auditors and the review report is attached as part of the Half Year Report.

7. Attachments

Details of attachments (if any):

The Half Year Report of Imagion Biosystems Limited for the half-year ended 30 June 2020 is attached.

8. Signed



Robert Proulx

Director

San Diego, California, United States of America



IMAGION BIOSYSTEMS LIMITED

ABN: 42 616 305 027

Consolidated Half-Year Report – 30 June 2020

For personal use only

Imagion Biosystems Limited

Contents

Corporate directory	2
Directors' Report	3
Auditor's Independence Declaration	5
Statement of Profit & Loss and other comprehensive income	6
Statement of Financial Position	7
Statement of Changes in Equity	8
Statement of Cash Flows	9
Notes to the Financial Statements	10
Directors Declaration	13
Independent Auditor's Report	14

Imagion Biosystems Limited
Corporate directory
30 June 2020

Directors

Mr Robert Romeo Proulx - Executive Chairman/President
Mr Michael John Harsh - Non-Executive Director
Mr David Gerald Ludvigson - Non-Executive Director
Ms Jovanka Naumoska - Non-Executive Director
Mr Mark Gerald Van Asten - Non-Executive Director
Ms Dianne Angus - Non-Executive Director (appointed 8 May 2020)
Ms Bronwyn Le Grice - Non-Executive Director (resigned 31 March 2020)

Company secretary

Ms Jovanka Naumoska

Share register

Boardroom Pty Limited
Level 12, 225 George Street
SYDNEY NSW 2000 AUSTRALIA

Auditor

RSM Australia Partners
Level 21, 55 Collins Street
MELBOURNE VIC 3000 AUSTRALIA

Australian Legal Advisor

K&L Gates
Level 25, 525 Collins Street
MELBOURNE VIC 3000 AUSTRALIA

Stock exchange listing

Imagion Biosystems Limited shares are listed on the Australian Securities Exchange (ASX code: IBX)

Imagion Biosystems Limited
Directors' report
30 June 2020

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') and the entities it controlled at the end of, or during, the half-year ended 30 June 2020.

Principal activities

During the financial half-year, the principal continuing activities of the group consisted of research and development in the areas of:

- Nanotechnology
- Biotechnology
- Cancer Diagnostics; and
- Superparamagnetic Relaxometry

Review of operations

The loss for the consolidated entity after providing for income tax amounted to \$1,738,496 (30 June 2019: \$986,690).

Revenue and Other Income comprised interest income and sales of nanoparticles. The Company markets nanoparticles to customers through its website and expects to continue to do so, though revenue from this activity is not a significant component to the operations.

In the financial half-year period, the Company successfully raised \$2,501,480 (before costs) via rights issue to manufacture the nanoparticle material and to fund the first clinical testing of the Magsense nanoparticle technology.

R&D expenses were higher than the previous period ending 30 June 2019 due to services and laboratory supplies being contracted by the Company to prepare for the human study.

Significant changes in the state of affairs

On 29 April 2020, 150,000 performance shares were converted into ordinary shares. The performance shares were issued to current and previous directors.

On 23 June 2020, 200,000 performance shares were converted into ordinary shares. The performance shares were issued to current and previous directors.

Ms Bronwyn Le Grice resigned as a non-executive director on 31 March 2020.

Ms Dianne Angus was appointed as a non-executive director on 8 May 2020.

In April 2020, the Company received \$2,195,551 via the Research and Development Tax Incentive from the Australian Taxation Office.

The consolidated entity completed a rights issue that ultimately raised \$2,501,480 (before costs) on 28 April 2020 through a renounceable rights issue of 250,147,990 shares at \$0.01 to existing shareholders, sophisticated and professional investors.

Likely developments and expected results of operations

Management expects spending to remain constant in future periods except for contracts and collaborations agreements to advance our progress toward human trials. These agreements would include, manufacturing for our formulated nanoparticle, design and prototype production of our instrument, clinical consultants among other items.

Imagion Biosystems Limited
Directors' report
30 June 2020

Matters subsequent to the end of the financial half-year

On 22 July 2020, the company held the Annual General Meeting, at which all resolutions were passed by majority of voting shareholders including:

- Ratification of prior issue of shares from previous offerings totalling 103,270,222 options issued to participants of the offering and the lead manager of the offerings;
- Additional placement capacity of 10% of the company's issued shares;
- Establishment of a new equity plan;
- Approval of 16,000,000 performance rights and options issued to Robert Proulx; and
- Approval of 2,500,000 options to be issued to the board of directors.

On 29 July 2020, the company announced that they had successfully raised \$5,000,000 (before costs) by issuing 111,111,111 fully paid ordinary shares at \$0.045 per share in an oversubscribed placement.

On 18 August 2020, the company announced that they had successfully raised \$1,296,996 (before costs) by issuing 21,633,200 fully paid ordinary shares. The issue was as a result of the exercise of 21,600,000 unlisted options at \$0.06 per option issued and 33,200 listed options at \$0.03 per option.

Recent developments in the 2020 year with the COVID-19 pandemic virus has led to various lock downs being put in place which may adversely impact the consolidated entity's ongoing research, development, and ongoing activities. Management is monitoring the potential impact of the COVID-19 pandemic and assessing its impact on the consolidated entity. In the coming months, the adverse impact of COVID-19 is likely to be significant to the consolidated entity, but at the date of this report, it is too early to estimate the impact.

No other matter or circumstance has arisen since 30 June 2020 that has significantly affected, or will significantly affect the company's operation, the results of those operations, or the company's state of affairs in future financial years.

Rounding of amounts

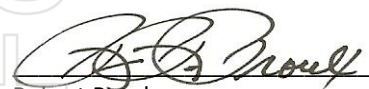
The company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, or in certain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

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.

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

This report is made in accordance with a resolution of directors.



Robert Proulx
Executive Chairman

25 August 2020

RSM Australia Partners

Level 21, 55 Collins Street Melbourne VIC 3000
PO Box 248 Collins Street West VIC 8007

T +61 (0) 3 9286 8000
F +61 (0) 3 9286 8199

www.rsm.com.au

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the financial report of Imagination Biosystems Limited for the half year ended 30 June 2020, 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 review; and
- (ii) any applicable code of professional conduct in relation to the review.

A handwritten signature in blue ink, appearing to read "RSM".**RSM AUSTRALIA PARTNERS**A handwritten signature in blue ink, appearing to read "R B Miano".

R B MIANO
Partner

Dated: 25 August 2020
Melbourne, Victoria

THE POWER OF BEING UNDERSTOOD
AUDIT | TAX | CONSULTING

RSM Australia Partners is a member of the RSM network and trades as RSM. RSM is the trading name used by the members of the RSM network. Each member of the RSM network is an independent accounting and consulting firm which practices in its own right. The RSM network is not itself a separate legal entity in any jurisdiction.

RSM Australia Partners ABN 36 965 185 036

Liability limited by a scheme approved under Professional Standards Legislation

Imagion Biosystems Limited
Statement of profit or loss and other comprehensive income
For the half-year ended 30 June 2020

	2020 \$	2019 \$
Revenue and other income	117,093	300,674
Research and development tax incentive	2,195,551	2,057,286
	<u>2,312,644</u>	<u>2,357,960</u>
Expenses		
Research and development costs	(1,648,612)	(1,396,222)
Employee benefits expense	(1,342,288)	(1,433,621)
Other expenses	(1,060,240)	(514,807)
	<u>(4,051,140)</u>	<u>(3,344,650)</u>
Loss before income tax expense	(1,738,496)	(986,690)
Income tax expense	-	-
Loss after income tax expense	(1,738,496)	(986,690)
Other comprehensive income		
<i>Items that may be reclassified subsequently to profit or loss</i>		
Foreign currency translation	33,164	(48,394)
Other comprehensive income for the half-year, net of tax	33,164	(48,394)
Total comprehensive (loss) for the half year	<u>(1,705,332)</u>	<u>(1,035,084)</u>
Loss per share attributable to the owners of Imagion Biosystems Limited		
	Cents	Cents
Basic loss per share	(0.0029)	(0.0031)
Diluted loss per share	(0.0029)	(0.0031)

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

Imagion Biosystems Limited
Statement of financial position
As at 30 June 2020

	Note	2020 \$	2019 \$
Assets			
Current assets			
Cash and cash equivalents		4,326,926	3,401,713
Trade and other receivables		8,378	71
Other current assets		342,938	171,112
Total current assets		<u>4,678,242</u>	<u>3,572,896</u>
Non-current assets			
Property, plant and equipment		326,940	434,150
Right-of-use assets		735,895	865,051
Total non-current assets		<u>1,062,835</u>	<u>1,299,201</u>
Total assets		<u>5,741,077</u>	<u>4,872,097</u>
Liabilities			
Current liabilities			
Trade and other payables		1,283,727	885,979
Lease liabilities		293,138	261,760
Employee benefits		131,316	101,832
Other current liability		34,988	33,990
Total current liabilities		<u>1,743,169</u>	<u>1,283,561</u>
Non-current liabilities			
Lease liabilities		451,481	615,019
Total non-current liabilities		<u>451,481</u>	<u>615,019</u>
Total liabilities		<u>2,194,650</u>	<u>1,898,580</u>
Net assets		<u>3,546,427</u>	<u>2,973,517</u>
Equity			
Issued capital	2	39,132,707	36,904,580
Reserves	3	797,757	714,478
Accumulated losses		(36,384,037)	(34,645,541)
Total equity		<u>3,546,427</u>	<u>2,973,517</u>

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

Imagion Biosystems Limited
Statement of changes in equity
For the half-year ended 30 June 2020

Consolidated	Issued capital \$	Reserves \$	Retained profits \$	Non-controlling interest \$	Total equity \$
Balance at 1 January 2019	33,182,325	1,899,938	(31,213,035)	-	3,869,228
Loss after income tax expense for the half-year	-	-	(986,690)	-	(986,690)
Other comprehensive income for the half-year, net of tax	-	(48,394)	-	-	(48,394)
Total comprehensive income for the half-year	-	(48,394)	(986,690)	-	(1,035,084)
<i>Transactions with owners in their capacity as owners:</i>					
Contributions of equity, net of transaction costs	154,000	(154,000)	-	-	-
Share-based payments	-	(23,107)	-	-	(23,107)
Balance at 30 June 2019	33,336,325	1,674,437	(32,199,725)	-	2,811,037
Consolidated	Issued capital \$	Reserves \$	Retained profits \$	Non-controlling interest \$	Total equity \$
Balance at 1 January 2020	36,904,580	714,478	(34,645,541)	-	2,973,517
Loss after income tax expense for the half-year	-	-	(1,738,496)	-	(1,738,496)
Other comprehensive income for the half-year, net of tax	-	33,164	-	-	33,164
Total comprehensive income for the half-year	-	33,164	(1,738,496)	-	(1,705,332)
<i>Transactions with owners in their capacity as owners:</i>					
Contributions of equity, net of transaction costs	2,501,480	-	-	-	2,501,480
Cost of contributions to equity	(295,228)	-	-	-	(295,228)
Transfer from reserve	21,875	(21,875)	-	-	-
Share-based payments	-	71,990	-	-	71,990
Balance at 30 June 2020	39,132,707	797,757	(36,384,037)	-	3,546,427

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

Imagion Biosystems Limited
Statement of cash flows
For the half-year ended 30 June 2020

	2020	2019
	\$	\$
Cash flows from operating activities		
Receipts from customers and grants (inclusive of sales and other taxes)	2,318,161	339,730
Payments to suppliers and employees (inclusive of sales and other taxes)	(3,635,492)	(3,475,390)
Interest received	1,132	12,800
Interest and other finance costs paid	(18,492)	(1,598)
	<u>(1,334,691)</u>	<u>(3,124,458)</u>
Net cash used in operating activities		
	<u>(1,334,691)</u>	<u>(3,124,458)</u>
Cash flows from investing activities	-	-
Cash flows from financing activities		
Proceeds from issue of shares	2,261,757	-
Transaction costs related to issue of shares	(66,762)	-
Repayment of lease liabilities	(163,576)	(55,023)
Loan from US government authority	233,815	-
	<u>2,265,234</u>	<u>(55,023)</u>
Net cash from/(used in) financing activities		
	<u>2,265,234</u>	<u>(55,023)</u>
Net increase/(decrease) in cash and cash equivalents	930,543	(3,179,481)
Cash and cash equivalents at the beginning of the financial half-year	3,401,713	4,367,097
Effects of exchange rate changes on cash and cash equivalents	(5,330)	(47,287)
	<u>(5,330)</u>	<u>(47,287)</u>
Cash and cash equivalents at the end of the financial half-year	<u>4,326,926</u>	<u>1,140,329</u>

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

Imagion Biosystems Limited
Notes to the financial statements
30 June 2020

Note 1. Summary of Significant accounting policies

These general purpose financial statements for the interim half-year reporting period ended 30 June 2020 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

All amounts are stated in Australian dollars, unless otherwise identified.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 31 December 2019 and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

Going Concern

The financial statements have been prepared on the going concern basis, which contemplates 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 \$1,738,496 and had net cash outflows from operating activities of \$1,334,691 for the half year ended 30 June 2020. The consolidated entity is dependent on the need for additional funding to cover ongoing product development and has forecast losses for the next financial year.

The Directors believe that it is reasonably foreseeable that the consolidated entity will continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial report after consideration of the following factor:

- The consolidated entity has a proven record of being able to raise funds to support its ongoing research and development activities, which includes receiving an additional \$5,000,000 of funding through an oversubscribed placement completed subsequent to year end (refer to note 7).

Comparatives

The Comparative results presented refer to the 6-month period up to 30 June 2019 for the Statement of Profit or Loss and Other Comprehensive Income and the Statement of Cash Flows. The statement of Financial Position contains a comparative statement of Financial Position as of the end of the immediately preceding reporting period, being 31 December 2019.

Share Based Payments

The consolidated entity operates an equity-settled share-based payment employee incentive scheme. The fair value of the equity to which employees became entitled is measured at grant date and recognised as an expense over the vesting period, with a corresponding increase to an equity account.

The cost of transactions settled by share based payments is measured at the fair value of the equity instrument at the date of issue, using an appropriate market based valuation model.

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.

Imagion Biosystems Limited
Notes to the financial statements
30 June 2020

Note 2. Issued capital

	2020 Shares	Consolidated 2019 Shares	2020 \$	2019 \$
Ordinary shares - fully paid	761,780,156	511,282,191	39,132,707	36,904,580

Movements in ordinary share capital

Details	Date	Shares	Issue price	\$
Balance	1 Jan 2020	511,282,191		36,904,580
Issue of shares (rights issue)	28 Apr 2020	250,147,965	\$0.01	2,501,480
Issue of shares (performance rights)	29 Apr 2020	150,000	\$0.06	9,375
Issue of shares (performance rights)	23 Jun 2020	200,000	\$0.06	12,500
Costs of capital raising		-		(295,228)
Balance	30 June 2020	761,780,156		39,132,707

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.

Note 3. Reserves

	Consolidated 2020 \$	2019 \$
Foreign currency translation reserve	65,826	32,662
Share base reserve	731,931	681,816
	797,757	714,478

Foreign currency translation reserve

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

Note 4. Dividends

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

Note 5. Contingent liabilities

As of 30 June 2020, the Company was not party to any material litigation, claims or suit whose outcome could have a material effect on the financial statements (31 December 2019: Nil).

Note 6. Commitments

As of 30 June 2020, the Company had no commitments (31 December 2019: Nil).

Note 7. Events after the reporting period

On 22 July 2020, the company held the Annual General Meeting, at which all resolutions were passed by majority of voting shareholders including:

- Ratification of prior issue of shares from previous offerings totalling 103,270,222 options issued to participants of the offering and the lead manager of the offerings;
- Additional placement capacity of 10% of the company's issued shares;
- Establishment of a new equity plan;
- Approval of 16,000,000 performance rights and options issued to Robert Proulx; and
- Approval of 2,500,000 options to be issued to the board of directors.

On 29 July 2020, the company announced that they had successfully raised \$5,000,000 (before costs) by issuing 111,111,111 fully paid ordinary shares at \$0.045 per share in an oversubscribed placement.

On 18 August 2020, the company announced that they had successfully raised \$1,296,996 (before costs) by issuing 21,633,200 fully paid ordinary shares. The issue was as a result of the exercise of 21,600,000 unlisted options at \$0.06 per option issued and 33,200 listed options at \$0.03 per option.

Recent developments in the 2020 year with the COVID-19 pandemic virus has led to various lock downs being put in place which may adversely impact the consolidated entity's ongoing research, development, and ongoing activities. Management is monitoring the potential impact of the COVID-19 pandemic and assessing its impact on the consolidated entity. In the coming months, the adverse impact of COVID-19 is likely to be significant to the consolidated entity, but at the date of this report, it is too early to estimate the impact.

No other matter or circumstance has arisen since 30 June 2020 that has significantly affected, or will significantly affect the company's operation, the results of those operations, or the company's state of affairs in future financial years.

Imagion Biosystems Limited
Directors' declaration
30 June 2020

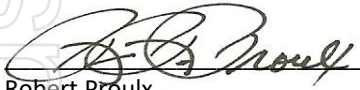
In the directors' opinion:

(a) The financial statements and notes set out on page 6 to 12 are in accordance with the Corporations Act 2001, including:

- complying with Australian Accounting Standard AASB 134 Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements, and
- giving a true and fair view of the consolidated entity's financial position as at 30 June 2020 and of its performance for the half-year ended on that date, and

(b) There are reasonable grounds to believe that Imagion Biosystems Limited will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the directors, pursuant to section 303(5)(a) of the Corporations Act 2001.



Robert Proulx
Executive Chairman

25 August 2020

RSM Australia Partners

Level 21, 55 Collins Street Melbourne VIC 3000
PO Box 248 Collins Street West VIC 8007

T +61 (0) 3 9286 8000

F +61 (0) 3 9286 8199

www.rsm.com.au

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF IMAGION BIOSYSTEMS LIMITED

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Imagination Biosystems Limited which comprises the consolidated statement of financial position as at 30 June 2020, the consolidated statement of profit and loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year 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 half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 30 June 2020 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Imagination Biosystems Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations act 2001*, which has been given to the directors of Imagion Biosystems Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Imagion Biosystems Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 30 June 2020 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

A handwritten signature in blue ink, appearing to read 'RSM'.

RSM AUSTRALIA PARTNERS

A handwritten signature in blue ink, appearing to read 'R B Miano'.

R B MIANO
Partner

Dated: 25 August 2020
Melbourne, Victoria