



IMAGION BIOSYSTEMS LIMITED

(ASX: IBX)

28 May 2021

AGM – Transcript of Chairman's Address

Dear Shareholders,

It is, once again, my pleasure to address all of you for our Annual General Meeting of Shareholders, this time for the financial year ending 31 December 2020.

While it is great to connect in this virtual forum, I am looking forward to the day I can be on Australian soil and meet with our investors again face to face.

Before we get into the formal business of the meeting, I wanted to spend a few minutes reflecting on the progress we have made over the past year and share our views on the next stage of our business and the future for our platform technology.

In 2020 we focused almost exclusively on getting our first MagSense® imaging agent ready for clinical testing. This was no small feat given that, like everyone else, we had certain restrictions imposed on our business due to the pandemic. But we were able to work with our manufacturing partners and regulatory advisors and keep the progress towards entering the clinic on track. By mid-year we had reported that we had completed the most critical part of manufacturing and by late July had submitted our study for ethics review in Australia. We proceeded quickly to achieve ethics (HREC) approval and Monash Health was secured as our first study site. Calendar year 2020 culminated with our announcement that our Phase 1 study was open for enrolment, marking the entry of MagSense® into the clinic.

With the support of shareholders we raised \$14.8 million during the course of last year through a Rights Offering, two Placements and the exercise of options, with our Board and Management participating in those raises. Additionally, we successfully achieved an Overseas Finding for our R&D Tax credit adding \$2.2 million of non-dilutive capital. As a result, we ended the year with our strongest balance sheet since the IPO and sufficient capital to ensure we could commence the Phase 1 study unencumbered *and* continue development of the MagSense® technology.

Though enrolment and site contracting got off to a slower start than we anticipated, this week we were very pleased to announce that the first patient has consented to participate and has been enrolled in our study.

Earlier this year, with COVID continuing to restrict our travel, we added clinical operations personnel in Australia to ensure we are on top of and able to manage the study. Additionally, to bolster enrolment our team has been actively identifying and working to contract additional sites that could contribute to our patient recruitment target. We are working with our investigators and stakeholders to build study awareness and enhance our recruitment efforts and we hope to see these initiatives begin to have an impact on enrolment in the coming months.

Previously we have spoken about the possibility of undertaking a second safety and tolerability study in healthy volunteers, however with enrolment now underway there is less rationale to incur the cost to conduct a separate study. We and our clinicians are confident in our ability to recruit the patients we need and to achieve the scientific objectives of the study without incurring the additional cost of a separate study.

Getting the first human data from our Phase I study will be an important inflection point for the company. Firstly, it will clarify the path to our first commercial product, a MagSense® imaging test for HER2 breast cancer. But it will also serve as the proof of principle that a targeted magnetic nanoparticle can be used to

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non-invasively find and detect the presence of cancer. To-date, *in vivo* molecular imaging requires the use of radioactive tracers. With MagSense® technology we can usher in the age of *in vivo* molecular imaging without using harmful radiation.

Towards that end, we have cultivated multiple collaborative relationships to expand the utility of our MagSense® technology for other indications. These collaborations are very helpful in enabling a company of our size to explore clinical and commercial opportunities for our technology without losing focus on our main priorities.

Two notable examples include the recent announcements for the prostate cancer and brain cancer projects.

Early-stage work done in 2020 set the stage for us to receive a \$50,000 grant from the Australia government to fund research with Monash University's Biomedicine Discovery Institute to kick-start preclinical research on a prostate cancer imaging agent.

And preliminary work with Patrys, an ASX-listed company, encouraged both companies to pair the targeting capabilities of Patrys' deoxymabs with the imaging capabilities of the MagSense® technology to explore the possibility of developing a highly effective imaging agent for hard-to-diagnose cancers such as brain cancer.

Earlier this month, GE Healthcare announced it had acquired a small French company Zionexa, which has an FDA-approved PET imaging technology used in oestrogen receptor positive breast cancer tumours. We see this as an important reminder of the clinical and commercial interest from the large players in the imaging industries in new molecular imaging technologies.

We believe that the combination of the first clinical data from our HER2 imaging agent, combined with a developing pipeline of imaging agents for other cancers will best position us for strategic relationships to commercialize our products.

Our goal is to bring to market a range of diagnostics and therapeutics that use our magnetic particles to better diagnose, image and treat a range of cancers and other diseases. Much of the preparatory work that has been undertaken to achieve the milestone of entering the Phase I study will position us well for future developments and commercial opportunities that will drive shareholder value.

In closing, I think it is notable that a company of our size has such an exceptional Board, Scientific Advisory Board and dedicated team. I would like to acknowledge and thank them all for the hard work, commitment, and effort this past year.

I also would like to thank our shareholders who strongly supported our capital raises. We know that you're eager to see the trial progress – as are we – and I want to give you reassurance that we are doing everything in our power to ensure this continues to progress in a professional, safe and timely manner that ultimately delivers us the right outcomes.

The global cancer diagnostics market is valued at \$100 billion per annum, and earlier detection of cancer is THE key to saving more lives.

We believe we can help bring the age of molecular imaging to fruition, and that we can do that in a more targeted, less invasive fashion.

We are on the cusp of one of the most anticipated milestones in our company's short history. But that milestone is just a stepping-stone to bigger things.

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About Imagination Biosystems

Imagination 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. Imagination Biosystems listed on the Australian Securities Exchange (ASX) in June 2017.

For further information please visit www.imaginationbiosystems.com

Authorisation & Additional information

This announcement was authorised by the Board of Imagination Biosystems Limited.

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