

**Imagion Biosystems Limited**  
**Appendix 4E**  
**Preliminary final report**

**1. Company details**

Name of entity: Imagion Biosystems Limited  
ABN: 42 616 305 027  
Reporting period: For the year ended 31 December 2025  
Previous period: For the year ended 31 December 2024

**2. Results for announcement to the market**

			\$
Revenues from ordinary activities	down	(100.0%) to	-
Loss from ordinary activities after tax attributable to the owners of Imagion Biosystems Limited	up	108.5% to	(4,309,456)
Loss for the year attributable to the owners of Imagion Biosystems Limited	up	108.5% to	(4,309,456)

*Dividends*

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

*Comments*

The loss for the Consolidated Entity after providing for income tax amounted to \$4,309,456 (31 December 2024: \$2,066,957).

Refer to the "Review of operations" section of the Directors' Report for further commentary.

**3. Net tangible assets**

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	<u>(0.44)</u>	<u>(1.11)</u>

**4. Control gained over entities**

Not applicable.

**5. Loss of control over entities**

Not applicable.

**6. Dividends**

*Current period*

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

*Previous period*

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

**7. Dividend reinvestment plans**

Not applicable.

**8. Details of associates and joint venture entities**

Not applicable.

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**9. Foreign entities**

*Details of origin of accounting standards used in compiling the report:*

Imagion Biosystems Inc., a wholly owned subsidiary prepared its financial records in compliance with IFRS which is equivalent to Australian Accounting Standards.

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**10. Audit qualification or review**

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

The financial statements have been audited and an unmodified opinion has been issued.

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**11. Attachments**

*Details of attachments (if any):*

The Annual Report of Imagion Biosystems Limited for the year ended 31 December 2025 is attached.

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**12. Signed**

Signed \_\_\_\_\_



Date: 27 February 2026

For persons

For personal use only

2025

ANNUAL REPORT

**IMAGION**  
BIOSYSTEMS

ABN 42 616 305 027

**Imagion Biosystems Limited**

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For personal use

**Imagion Biosystems Limited**  
**Corporate directory**  
**31 December 2025**

Directors

Mr Robert Proulx (Executive Chairman)  
Mr Brett Mitchell (Non-Executive Director)  
Ms Melanie Leydin (Non-Executive Director)  
Dr Nina Webster (Non-Executive Director)

Company secretary

Ms Melanie Leydin

Registered office and principal  
place of business

Suite 2, Level 11, 385 Bourke Street  
Melbourne, VIC 3000

Share registry

Boardroom Pty Limited  
Level 12, 225 George Street  
Sydney, NSW 2000

Auditor

RSM Australia Partners  
Level 27, 120 Collins Street  
Melbourne, VIC 3000

Australian legal advisor

Steinepreis Paganin  
Level 14, QV1 Building  
250 St Georges Terrace  
Perth, WA 6000

United States legal advisor

Law Offices of Gayani R. Weerasinghe  
325 W Washington St, Ste 2-3013  
San Diego, CA 92103

Stock exchange listing

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

**Imagion Biosystems Limited**  
**Chairman's Letter**  
**31 December 2025**

**Letter from the Chairman**

Dear Shareholders,

In 2025 Imagion Biosystems returned to its mission of developing the world's first molecular MRI imaging technology. We successfully reestablished the development plan for our MagSense® HER2 imaging agent and achieved a significant milestone in filing our first application for an Investigational New Drug (IND) with the U.S. Food and Drug Administration – a significant feat for any small biotech.

In the second half of the year, we strengthened the Board and management team with the addition of Nina Webster as a non-executive director and the appointment of Ward Detwiler as President of the US operational subsidiary.

In 2025 we reestablished our foothold and, with the support of the capital markets, are prepared to move forward with a Phase 2 clinical investigation of our MagSense molecular MRI technology.

We sincerely appreciate the support from our shareholders and their enthusiasm for our mission of changing the way we look at cancer.

I look forward to keeping you updated on our progress.



**Robert Proulx**  
Executive Chairman  
Imagion Biosystems Limited

**Imagion Biosystems Limited**  
**Directors' report**  
**31 December 2025**

The directors present their report, together with the financial statements, on the Consolidated Entity (referred to hereafter as the 'Consolidated Entity' or the 'Group') 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 year ended 31 December 2025.

**Directors**

The following persons were directors of Imagion Biosystems Limited during the whole of the financial year and up to the date of this report, unless otherwise stated:

Mr Robert Proulx (Executive Chairman)  
Mr Brett Mitchell (Non-Executive Director)  
Ms Melanie Leydin (Non-Executive Director)  
Dr Nina Webster (Non-Executive Director) (Appointed on 1 September 2025)

**Principal activities**

During the financial year the principal continuing activities of the Consolidated Entity consisted of: Nanotechnology; Biotechnology; Cancer Diagnostics; and Medical Imaging using Magnetic Resonance.

**Dividends**

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

**Review of operations**

The loss for the Consolidated Entity after providing for income tax amounted to \$4,309,456 (31 December 2024: loss of \$2,066,957) was higher than prior year due to the restart of Research and Development activities associated with leading up to the commencement of a Phase 2 study for the MagSense® HER2 imaging agent. The Consolidated Entity expects to maintain general and administration costs at a similar level as at the end of 2025 for the foreseeable future.

During the reporting period, the Consolidated Entity successfully raised a total of \$3.5 million (before cost) of new equity capital, conducted in two tranches, August and October 2025, with the funds being used to advance the clinical development of the Company's MagSense® molecular MRI imaging technology, and for general working capital.

**Research and Development**

***MagSense® HER2 Breast Cancer Program***

In the first quarter of 2025 the Consolidated Entity began manufacturing of a new batch of the MagSense® HER2 imaging agent to meet the stringent regulatory standards needed for the proposed Phase 2 clinical study. Manufacturing was completed early in the fourth quarter of 2025. Final testing and release of the manufactured material labelled for use as an investigational product continued in the fourth quarter and was completed in January 2026.

In the second quarter of 2025 the Group submitted a briefing document to the US Food and Drug Administration (FDA) in anticipation its plans to submit an Investigational New Drug (IND) application for undertaking a multisite clinical study in the United States. The Company reported that it had received positive feedback from the agency and would incorporating the feedback into the IND application.

In the third quarter of 2025 the Consolidated Entity entered into a collaborative service agreement with MRI experts at Wayne State University to develop optimised MRI sequences for the MagSense® imaging agent. The project which completed in the fourth quarter, was successful in establishing improved dosing and image acquisition parameters which were incorporated in the IND application and expected to be implemented in the proposed Phase 2 study.

The IND was submitted to the FDA in February 2026 and is pending review and approval by the agency.

***Ovarian Cancer and Prostate Cancer Programs***

Given the limited availability of funds, no material expenditures were undertaken for either the ovarian or prostate cancer programs. The MagSense® imaging agents for these two indications remain in the Consolidated entities R&D pipeline and will be resumed as funds become available.

**Imagion Biosystems Limited**  
**Directors' report**  
**31 December 2025**

Key Appointments

*Non-Executive Director*

In September 2025 Dr Nina Webster was appointed to the Board of Directors as a Non-Executive Director. Dr Webster currently serves as Managing Director and Chief Executive Officer of Dimerix Ltd (ASX: DXB).

*President US Operations*

Effective 1 December 2025, Ward Detwiler was appointed as President of Imagion Biosystems, Inc. the Consolidated Entity's U.S. subsidiary. Ward had been serving as Chief Business Officer for the US subsidiary since July of 2024. Under the terms of his appointment, Ward will report to the Board of Directors of the listed Australian entity, Imagion Biosystems, Ltd., and have primary responsibility for driving growth and development for the consolidated Company.

*Prostate Cancer Clinical Advisor*

Dr Leonardo Kayat-Bittencourt was appointed as a clinical advisor in the second quarter of 2025. Dr. Kayat-Bittencourt is a Professor of Radiology and Urology at Case Western Reserve University School of Medicine and the Vice Chair of Innovation at University Hospitals in Cleveland OH. Dr Kayat-Bittencourt is a leader in the field of prostate cancer research using multiparametric Magnetic Resonance Imaging (mpMRI).

Outlook

The Consolidated Entity aims to begin the MagSense® HER2 Breast Cancer Phase 2 study in the first quarter of the 2026 calendar year, depending on FDA review and approval. Key activities and objectives in the first half of calendar year 2026 include:

- Establishing and activating the initial clinical site(s);
- Opening the study for enrolment; and
- Dosing the first cohort of participants.

Advancing the research and development programs for prostate cancer and ovarian cancer will be dependent on the availability of funds.

**Key risks and uncertainties**

The Consolidated Entity is subject to risks specific to the Consolidated Entity and the Consolidated Entity's business activities, as well as general risks.

*Technical risks*

The inherent nature of research and development is uncertain. There are substantial risks in drug development including risks that studies fail to achieve an acceptable level of safety and/or efficacy. This would have a material impact on the Consolidated Entity. The Consolidated Entity is mitigating this risk where reasonably possible through diversification of its product pipeline, undertaking rigorous scientific review during the development process, and working with reputable and capable partners and service providers.

*Future funding risks*

Whilst the Consolidated Entity had a cash balance of \$1,847,668 at 31 December 2025 and is able to continue on a going concern basis, there is risk that the Consolidated Entity may require substantial additional financing in the future to sufficiently fund its operations, research and development. The Directors regularly review the spending pattern and ability to raise additional funds to ensure the Consolidated Entity's ability to generate sufficient cash inflows to settle its creditors and other liabilities.

In addition, the Consolidated Entity is eligible for certain government grants and R&D tax incentive which is subject to fulfilling eligibility criteria. The Consolidated Entity reviews the project activities to maximise the benefits available under the grant programs and the R&D tax incentive.

*Regulatory and licensing risks*

If the Consolidated Entity does not obtain the necessary regulatory approvals, it may be unable to commercialise its pharmaceutical products. Even if it receives regulatory approval for any product candidates, profitability will depend on its ability to generate revenues from the sale of its products or the licensing of its technology.

The Consolidated Entity monitors legislative and regulatory developments and engages proactively with key stakeholders to manage this risk.

*Reliance on key personnel*

The Consolidated Entity's success depends to a significant extent upon its key management personnel, as well as other management and technical personnel including those employed on a contractual basis. The loss of the services of such

**Imagion Biosystems Limited**  
**Directors' report**  
**31 December 2025**

personnel or the reduced ability to recruit additional personnel could have an adverse effect on the performance of the Consolidated Entity.

The Consolidated Entity maintains a mixture of external contractors and consultants to allow the access of multiple sources of resources, and reviews remunerations of human resources regularly.

*Inability to protect intellectual property*

The Consolidated Entity's ability to leverage its innovation and expertise is dependent on its ability to protect its intellectual property and any improvements to it. A failure or inability to protect the Consolidated Entity's intellectual property rights could have an adverse impact on operating and financial performance.

The Group proactively monitors applications and renewals of patents and licences; and requires relevant stakeholders to comply with the requirements set out in the Group's 'Disclosure and Communications Policy' as well a non-disclosure and confidentiality agreements.

*IT system failure and cyber security risks*

Any information technology system is potentially vulnerable to interruption and/or damage from a number of sources, including but not limited to computer viruses, cyber security attacks and other security breaches, power, systems, internet and data network failures, and natural disasters.

The potential financial impacts of cyber security breaches may include:

- Business disruption costs
- Intellectual property or other valuable data being stolen or compromised
- Breaches of confidentiality with external parties that may compromise material commercial agreements
- Costs of remedying breaches and recovering data
- Costs to bolster cyber protection
- Litigation and legal costs
- Reputational damage

The Consolidated Entity is committed to preventing and reducing cyber security risks through outsourcing the IT management to a reputable services provider.

**Significant changes in the state of affairs**

On 7 April 2025, the Company announced that the unquoted 75,000,000 unquoted share options which previously used ASX code IBXABC and the unquoted 22,500,000 unquoted share options, which had used ASX code IBXAF, were quoted on the ASX on 8 April 2025 and allocated the ASX ticker code IBXO. The terms for the options are detailed in the Notice of General Meeting lodged with ASX on 8 November 2024. All options with ASX code IBXO are exercisable at \$0.04 and they expire on 13 December 2027.

On 10 July 2025, the Company issued 2,000,000 unlisted options to Mr Brett Mitchell, Non-Executive Director, exercisable at \$0.19 (19 cents) per option and expire on 29 May 2028 and 2,000,000 unlisted options to Mr Robert Proulx, Executive Chairman, exercisable at \$0.012 (12 cents) per option and expire on 29 May 2030. The allocation of these options form part of their remuneration, as approved by shareholders at its Annual General Meeting on 30 May 2025. The Company also issued 1,500,000 unlisted options with an exercise price of \$0.012 (12 cents) per option and expiring on 29 May 2030 to the Chief Business Officer of Imagion Biosystems, Inc. under the Company's Employee Incentive Plan.

On 22 July 2025, the Company issued 1,200,000 unlisted options with an exercise price of \$0.012 (12 cents) per option and expiring on 29 May 2030 to its contractors and consultants under the Company's Employee Incentive Plan.

On 4 August 2025, the Company announced a Placement capital raising to raise \$3.5 million before costs. The raising represented the issue of 233,333,333 new shares at an issue price of \$0.015 (1.5 cents) per share, along with 233,333,334 free attaching listed options, exercisable at \$0.04 (4 cents) and expiring on 13 December 2027 and raised \$3.5 million before costs after Placement. The first tranche of the Placement was completed on 11 August 2025 with 45,000,000 shares issued and \$0.675 million raised before costs. The second tranche of the Placement was completed on 29 September 2025 upon shareholders' approval at a General Meeting with 188,333,333 shares and 233,333,334 free attaching listed options issued.

On 1 September 2025, the Company appointed Dr Nina Webster as a Non-Executive Director.

**Imagion Biosystems Limited**  
**Directors' report**  
**31 December 2025**

On 26 September 2025, the Company issued 26,250,000 unlisted options with an exercise price of \$0.04 (4 cents) per option and expiring on 21 September 2028 to CPS Capital Group Pty Ltd as part of consideration as per mandate and as lead manager of the Placement as announced by the Company on 4 August 2025. Additionally, 3,666,667 ordinary shares at \$0.015 per share were issued to Pitt Street Research Pty Ltd (Pitt) in lieu of their fees for providing 12 months analyst research coverage. Shareholders approved the issue of shares to Pitt at the general meeting held on 24 September 2025.

The Company issued the following shares to Mercer Street Global Opportunity Fund, LLC (Mercer Street) during the reporting period:

- on 30 September 2025, 6,050,000 ordinary shares at a deemed issue price of \$0.04 (4 cents) to convert 242,000 Tranche 2 convertible notes;
- on 30 September 2025, 6,242,437 ordinary shares at a deemed issue price of \$0.025 (2.5 cents) to convert 156,061 Tranche 1 convertible notes;
- on 10 October 2025, 17,123,288 ordinary shares at a deemed issue price of \$0.0292 (2.92 cents) to convert 500,000 Tranche 1 convertible notes were issued to Mercer Street on 10 October 2025;
- on 4 December 2025, the Company issued 10,000,000 ordinary shares at a deemed issue price of \$0.025 (2.5 cents) to convert 250,000 Tranche 1 convertible notes; and on 15 December 2025, the Company issued 8,000,000 ordinary shares at a deemed issue price of \$0.025 (2.5 cents) to convert 200,000 Tranche 1 convertible notes.

These shares were issued to Mercer Street pursuant to the Convertible Securities Agreement (Agreement) with the Group. The terms of the Agreement are disclosed in note 13.

On 16 October 2025, the Company issued 384,615 ordinary shares at \$0.0394 (3.94 cents) per share as payment for services provided by investor relations services.

There were no other significant changes in the state of affairs of the Consolidated Entity during the financial year.

**Matters subsequent to the end of the financial year**

The Company issued a total of 3,048,484 ordinary shares to Mercer Street at a deemed issue price of \$0.025 (2.5 cents) each on 8 January 2026 to convert the remaining 76,212 First Tranche convertible notes. This conversion fully extinguished the carrying amount of the First Tranche convertible notes of \$1,650,000 under the Agreement. Mercer Street holds a balance of 2,750,000 convertible notes with the Company.

On 8 January 2026, the Company announced that it agreed with Mercer Street to amend the terms of Second Tranche convertible notes issued in June 2023 to the following:

- (i) A payment of \$300,000 was made on 13 January 2026 to reduce the remaining balance of the Second Tranche convertible notes to \$558,000.
- (ii) The maturity date on the remaining balance has been extended to 28 February 2026.
- (iii) Any remaining balance not otherwise converted by Mercer Street prior to the new maturity date will be converted by the issuance of shares at the Conversion Price as defined in the Agreement.

On 2 February 2026, the Company announced that it had lodged its Investigational New Drug (IND) application for the MagSense® HER2 Imaging Agent to the U.S. Food and Drug Administration (FDA). IND Submission marked a major milestone in the clinical development of the Company's proprietary MagSense® platform. Phase 2 Clinical Trial enrollment planned to commence following FDA approval.

No other matter or circumstance has arisen since 31 December 2025 that has significantly affected, or may significantly affect the Consolidated Entity's operations, the results of those operations, or the Consolidated Entity's state of affairs in future financial years.

**Likely developments and expected results of operations**

The Consolidated Entity has significantly reduced fixed costs of administration activities including its human resources. However, the Consolidated Entity has resumed research and development of the MagSense® HER2 Breast Cancer Program, with any further development dependent on the availability of funds. The expected results of operations for the Consolidated Entity will depend on the result of these developments and availability of funds.

**Environmental regulation**

The Consolidated Entity is not subject to any significant environmental regulation under Australian Commonwealth or State law.

**Imagion Biosystems Limited**  
**Directors' report**  
**31 December 2025**

**Information on directors**

Name: Mr Robert Proulx  
Title: Executive Chairman  
Experience and expertise: Mr. Proulx has served as Chairman of the Board at Imagion Biosystems since the company's IPO in 2017. As President and CEO of Imagion Biosystems beginning in February 2015 until June 2023, he led the company in the development of the nanoparticle-based medical imaging technology from early proof of concept through initial clinical development until June 2023. Mr. Proulx's career spans more than 30 years with experience in the computer, life science and medical diagnostics industries. Mr. Proulx holds an M.A. and B.A. from the State University of New York at Albany and an Executive MBA from the Penn State Smeal College of Business.

Other current directorships: None  
Former directorships (last 3 years): None  
Interests in shares: 4,470,749 fully paid ordinary shares  
Interests in options: 4,441,667 options  
Interests in rights: 600,000 performance rights

Name: Mr Brett Mitchell  
Title: Non-Executive Director  
Experience and expertise: Mr. Mitchell is an experienced corporate finance executive with more than 15 years of experience with ASX listed companies leading transactions in the biopharmaceutical, mining, energy and tech industries. He has been involved in the founding, financing, and management of both private and publicly-listed companies, including recently as a director of ASX listed lithium developer Delta Lithium Ltd (DLI), the dual ASX-LSE listed medical cannabis company Argent Biopharma Ltd (RGT), and is currently Executive Chairman of ASX listed Javelin Minerals Ltd (ASX:JAV) and Non-Executive Chairman of Uvre Limited (ASX :UVA). Additionally, Mr Mitchell has founded two financial advisory services businesses and brings a track record of capital raising and corporate strategy to Imagion.

Other current directorships: Javelin Minerals Ltd (ASX: JAV); and Uvre Limited (ASX: UVA)  
Former directorships (last 3 years): Delta Lithium Limited (previously Red Dirt Metals) (ASX: DLI); MGC Pharmaceuticals Limited (ASX: RGT); and Mount Ridley Mines Ltd (ASX: MRD)  
Interests in shares: 5,937,575 fully paid ordinary shares  
Interests in options: 6,166,667 options  
Interests in rights: 1,250,000 performance rights

Name: Ms Melanie Leydin  
Title: Non- Executive Director and Company Secretary  
Experience and expertise: Ms Leydin holds a Bachelor of Business majoring in Accounting and Corporate Law. Ms Leydin is a Fellow of the Institute of Chartered Accountants and Fellow of the Governance Institute of Australia. Ms Leydin graduated from Swinburne University in 1997, became a Chartered Accountant in 1999 and from February 2000 to October 2021 was the principal of Leydin Freyer which was acquired by Vistra in November 2021. Ms Leydin is now the Executive Vice President of Global Solutions, Southeast Asia at Vistra. Vistra is a prominent provider of governance and compliance solutions and finance and accounting solutions in the Fund, Corporate, Capital Markets, and Private Wealth sectors.

Ms Leydin has over 30 years' experience in the accounting profession and over 20 years' experience holding Board positions including Company Secretary and CFO of ASX listed entities. Ms Leydin has extensive experience in relation to public company responsibilities, including ASX and ASIC compliance, control and implementation of corporate governance, statutory financial reporting, reorganisation of Companies, initial public offerings, secondary raisings and shareholder relations.

Other current directorships: Invion Limited (ASX: IVX); and Unico Silver Limited (ASX: USL)  
Former directorships (last 3 years): None  
Interests in shares: None  
Interests in options: None  
Interests in rights: None

**Imagion Biosystems Limited**  
**Directors' report**  
**31 December 2025**

Name: Dr Nina Webster  
Title: Non-Executive Director (appointed on 1 September 2025)  
Experience and expertise: Dr Webster brings to the Board a wealth of experience in the Australian ASX listed pharmaceutical industry, holding leadership roles over a thirty-year period. She currently serves as Managing Director and Chief Executive Officer of Dimerix Ltd (ASX: DXB), a clinical-stage biopharmaceutical company, developing a portfolio of drugs to treat inflammatory diseases. Formerly the Commercial Director for Acrux Limited (ASX: ACR) and Director of Commercialisation and Intellectual Property for Immuron Limited (ASX: IMC), Nina brings to IBX vast experience in investor relations, strategic planning, and scientific and operational execution. Dr Webster holds a Ph.D in Pharmaceutics, a Bachelor's degree in Pharmacology, a Master's degree in Intellectual Property Law and an Executive MBA and currently also serves as Non-Executive Chairperson for SYNthesis BioVentures and as Non-Executive Director for Linear Clinical Research Limited.

Other current directorships: Dimerix Ltd (ASX: DXB)  
Former directorships (last 3 years): Acrux Limited (ASX: ACR); and Immuron Limited (ASX: IMC)  
Interests in shares: 565,211 fully paid ordinary shares

'Other current directorships' quoted above are current directorships for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

'Former directorships (last 3 years)' quoted above are directorships held in the last 3 years for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

**Meetings of directors**

The number of meetings of the Company's Board of Directors ('the Board') held during the year ended 31 December 2025, and the number of meetings attended by each director were:

	Full Board	
	Attended	Held
Mr Robert Proulx	16	16
Mr Brett Mitchell	15	16
Ms Melanie Leydin	16	16
Dr Nina Webster <sup>(1)</sup>	3	3

(1) Dr Nina Webster was appointed as Non-Executive Director on 1 September 2025.

Held: represents the number of meetings held during the time the director held office.

**Remuneration report (audited)**

The remuneration report details the key management personnel remuneration arrangements for the Consolidated Entity, in accordance with the requirements of the *Corporations Act 2001* and its Regulations.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including all directors.

The remuneration report is set out under the following main headings:

- Principles used to determine the nature and amount of remuneration
- Details of remuneration
- Service agreements
- Share-based compensation
- Additional information
- Additional disclosures relating to key management personnel

***Principles used to determine the nature and amount of remuneration***

***Non-executive directors' remuneration***

Fees and payments to non-executive directors reflect the demands and responsibilities of their role. Non-executive directors' fees and payments are reviewed annually by the Board of Directors. The Board of Directors may, from time to time, receive advice from independent remuneration consultants to ensure non-executive directors' fees and payments are appropriate and in line with the market.

***Executive directors and senior executives' remuneration***

The chairman's fees are determined independently to the fees of other non-executive directors which are competitively set to attract and retain appropriately qualified directors and senior executives and based on achievement of strategic objectives and the creation of value for shareholders. The Board of Directors ('the Board') ensures that executive and director rewards satisfies the following key criteria for good reward governance practices:

- Having strategic objectives as a core component of the reward framework design;
- Focusing on sustained growth in shareholder wealth, which may comprise growth in share price, increasing opportunities for the Consolidated Entity as well as focusing the executive on key non-financial drivers of value;
- Alignment of executive compensation to performance; and
- Acceptability to shareholders.

The reward framework is designed to align executive reward to shareholders' interests. The Board have considered that it should seek to enhance shareholders' interests by:

- Rewarding capability and application of relevant experience;
- Being competitive and providing a reasonable framework with regard to applicable industry standards;
- Reflecting competitive rewards for contribution to growth in shareholder wealth; and
- Providing a clear and transparent structure for earning rewards.

Remuneration packages include a mix of fixed remuneration and variable remuneration and short and long-term performance-based incentives under the Company's Employee Incentive Plan. Due to the relatively small size of the Company, the Board is acting in the capacity of a remuneration committee. The Company's Employee Incentive Plan allows the Board from time to time, in its absolute discretion, make a written offer to any Eligible Participant (as defined in the Plan).

The Consolidated Entity aims to reward executives based on their position and responsibility, with a level and mix of remuneration which has both fixed and variable components.

The executive remuneration and reward framework has four components:

- Base pay and non-monetary benefits;
- Short-term performance incentives;
- Share-based payments; and
- Other remuneration such as superannuation.

The combination of these comprises the executive's total remuneration.

Executive fixed remuneration, consisting of base salary and non-monetary benefits, are reviewed annually based on individual and business performance, the overall performance of the Consolidated Entity and comparable market remunerations.

Executives may receive fixed remuneration in the form of cash or other fringe benefits (for example motor vehicle benefits) where it does not create any additional costs to the Consolidated Entity and provides additional value to the executive.

The long-term incentives ('LTI') include long service leave, performance rights or option payments. Options or performance rights are awarded to executives over a period of three years based on long-term incentive measures. These include increase in shareholders value relative to the entire market and the increase compared to the Consolidated Entity's direct competitors. Remuneration levels will be, if necessary reviewed annually by the Board through a process that considers the overall performance of the Group. During the year, external consultants were not used to provide any analysis nor advice to the Directors' and senior executives' with respect to remuneration.

ASX listing rules require the aggregate non-executive directors' remuneration be determined periodically by a general meeting. The most recent determination was at the Annual General Meeting held on 28 May 2021 where the shareholders approved an aggregate remuneration of \$450,000.

**Imagion Biosystems Limited**  
**Directors' report**  
**31 December 2025**

*Voting and comments made at the Company's 2024 Annual General Meeting ('AGM') held on 30 May 2025*

At the Company's 2024 AGM held on 30 May 2025, 88.83% of the votes received supported the adoption of the remuneration report for the year ended 31 December 2024. The Company did not receive any specific feedback at the AGM regarding its remuneration practices.

**Details of remuneration**

*Amounts of remuneration*

Details of the remuneration of key management personnel of the Consolidated Entity are set out in the following tables.

The key management personnel of the Consolidated Entity consisted of the following directors of Imagion Biosystems Limited:

- Mr Robert Proulx (Executive Chairman)
- Mr Brett Mitchell (Non-Executive Director)
- Ms Melanie Leydin (Non-Executive Director and Company Secretary)
- Dr Nina Webster (Non-Executive Director) (Appointed on 1 September 2025)

2025	Short-term benefits		Post-employment benefits	Share-based payments	Total
	Salary and fees \$	Annual leave \$	Super-annuation \$	Equity-settled options \$	
<i>Non-Executive Directors:</i>					
Mr Brett Mitchell <sup>(1)</sup>	52,000	-	-	32,344	84,344
Ms Melanie Leydin <sup>(2)</sup>	60,000	-	-	-	60,000
Dr Nina Webster <sup>(3)</sup>	20,000	-	2,400	-	22,400
<i>Executive Directors:</i>					
Mr Robert Proulx	127,150	-	-	50,916	178,066
	<u>259,150</u>	<u>-</u>	<u>2,400</u>	<u>83,260</u>	<u>344,810</u>

(1) Mr Brett Mitchell received his remuneration through Sibella Capital Pty Ltd (an entity associated with him). In addition to the amounts disclosed in the above table, the Company incurred an expenditure of \$103,000 for consulting services to an entity controlled by Mr. Mitchell during his tenure as a director. All transactions were made on normal commercial terms and conditions and at market rates.

(2) Ms Melanie Leydin received her remuneration through Vistra (Australia) Pty Limited (an entity associated with her). In addition to the amounts disclosed in the above table, the Company incurred an expenditure of \$206,302 (excluding GST) for accounting, corporate secretarial and legal advisory services to an entity controlled by Ms. Leydin during her tenure as a director. All transactions were made on normal commercial terms and conditions and at market rates.

(3) Dr Nina Webster was appointed as a Non-Executive Director on 1 September 2025.

**Imagion Biosystems Limited**  
**Directors' report**  
**31 December 2025**

2024

*Non-Executive Directors:*

	Short-term benefits		Post-employment benefits	Share-based payments	Total
	Salary and fees	Annual leave	Super-annuation	Equity-settled options	
	\$	\$	\$	\$	\$
Mr Brett Mitchell <sup>(1)</sup>	26,000	-	-	4,506	30,506
Ms Melanie Leydin <sup>(2)</sup>	25,000	-	-	-	25,000
Mr Michael Harsh <sup>(3)</sup>	-	-	-	-	-
Mr David Ludvigson <sup>(3)</sup>	-	-	-	-	-
Mr Mark Van Asten <sup>(3)</sup>	-	-	-	-	-
Ms Jovanka Naumoska <sup>(3)</sup>	-	-	-	-	-
Ms Dianne Angus <sup>(3)</sup>	-	-	-	-	-

*Executive Directors:*

Mr Robert Proulx <sup>(4)</sup>	55,653	-	-	7,209	62,862
Dr Isaac Bright	26,818	-	-	-	26,818

*Other Key Management Personnel:*

Mr Geoff Hollis <sup>(5)</sup>	91,241	25,271	9,920	-	126,432
	<u>224,712</u>	<u>25,271</u>	<u>9,920</u>	<u>11,715</u>	<u>271,618</u>

(1) Mr Brett Mitchell received his remuneration through Sibella Capital Pty Ltd (an entity associated with him). In addition to the amounts disclosed in the above table, the Company incurred an expenditure of \$39,000 for consulting services to an entity controlled by Mr. Mitchell during his tenure as a director. All transactions were made on normal commercial terms and conditions and at market rates.

(2) Ms Melanie Leydin received her remuneration through Vistra (Australia) Pty Limited (an entity associated with her). In addition to the amounts disclosed in the above table, the Company incurred an expenditure of \$95,223 for accounting and corporate secretarial services to an entity controlled by Ms. Leydin during her tenure as a director. All transactions were made on normal commercial terms and conditions and at market rates.

(3) Mr Harsh, Mr Ludvigson, Mr Van Asten, Ms Naumoska and Ms Angus all elected to not take any remuneration for the period from 1 January 2024 to the date of resignation.

(4) Mr Proulx resumed operating responsibilities as interim Executive Director on 15 January 2024 after Dr Bright resigned.

(5) Mr Hollis resigned from his role as Company secretary and Chief Financial Officer on 13 May 2024.

The proportion of remuneration linked to performance and the fixed proportion are as follows:

Name	Fixed remuneration		At risk - STI		At risk - LTI	
	2025	2024	2025	2024	2025	2024
<i>Non-Executive Directors:</i>						
Mr Brett Mitchell	62%	85%	-	-	38%	15%
Ms Melanie Leydin	100%	100%	-	-	-	-
Dr Nina Webster	100%	-	-	-	-	-
<i>Executive Directors:</i>						
Mr Robert Proulx	71%	89%	-	-	29%	11%
Dr Isaac Bright	-	100%	-	-	-	-
<i>Other Key Management Personnel:</i>						
Mr Geoff Hollis	-	100%	-	-	-	-

**Imagion Biosystems Limited**  
**Directors' report**  
**31 December 2025**

**Service agreements**

Remuneration and other terms of employment for key management personnel are formalised in service agreements. Details of these agreements are as follows:

Name:	Mr Robert Proulx
Title:	Executive Chairman
Term of agreement:	Ongoing
Details:	-Director's fees of US\$120,000 per annum, effective from 1 September 2025 -No retirement or termination benefits. -Contract may be terminated at any time in accordance with the provisions of the Constitution or the provisions of any applicable law.

Key management personnel have no entitlement to termination payments in the event of removal for misconduct.

**Share-based compensation**

*Issue of shares*

There were no shares issued to directors and other key management personnel as part of compensation during the year ended 31 December 2025.

*Options*

The terms and conditions of each grant of options over ordinary shares affecting remuneration of directors and other key management personnel in this financial year or future reporting years are as follows:

Name	Number of options granted	Grant date	Vesting date and exercisable date	Expiry date	Exercise price	Fair value per option at grant date
Robert Proulx	50,000	06/08/2020	01/05/2021	01/05/2026	\$1.12000	\$0.39000
Robert Proulx	50,000	06/08/2020	01/05/2022	01/05/2027	\$1.12000	\$0.55000
Robert Proulx	50,000	06/08/2020	01/05/2023	01/05/2028	\$1.12000	\$0.65000
Brett Mitchell	666,667	30/05/2025	10/07/2025	29/05/2028	\$0.01900	\$0.00806
Brett Mitchell	666,667	30/05/2025	10/07/2026	29/05/2028	\$0.01900	\$0.00806
Brett Mitchell	666,666	30/05/2025	10/07/2027	29/05/2028	\$0.01900	\$0.00806
Robert Proulx	2,000,000	30/05/2025	29/05/2030	29/05/2030	\$0.01200	\$0.01060
Robert Proulx <sup>(1)</sup>	625,000	13/12/2024	13/12/2024	13/12/2027	\$0.04000	\$0.00000
Brett Mitchell <sup>(1)</sup>	2,500,000	13/12/2024	13/12/2024	13/12/2027	\$0.04000	\$0.00000
Robert Proulx <sup>(1)</sup>	1,666,667	24/09/2025	24/09/2025	13/12/2027	\$0.04000	\$0.00000
Brett Mitchell <sup>(1)</sup>	1,666,667	24/09/2025	24/09/2025	13/12/2027	\$0.04000	\$0.00000

(1) These are free attaching options granted to Mr Robert Proulx and Mr Brett Mitchell.

Options granted carry no dividend or voting rights.

The number of options over ordinary shares granted to and vested by directors and other key management personnel as part of compensation during the year ended 31 December 2025 are set out below:

Name	Number of options granted during the year 2025	Number of options granted during the year 2024	Number of options vested during the year 2025	Number of options vested during the year 2024
Robert Proulx	3,666,667	625,000	1,666,667	625,000
Brett Mitchell	3,666,667	2,500,000	2,333,334	2,500,000

**Imagion Biosystems Limited**  
**Directors' report**  
**31 December 2025**

*Performance rights*

The terms and conditions of each grant of performance rights over ordinary shares affecting remuneration of directors and other key management personnel in this financial year or future reporting years are as follows:

Name	Number of rights granted	Grant date	Expiry date	Exercise price	Fair value per right at grant date
Robert Proulx <sup>(1)</sup>	600,000	22/08/2024	22/08/2028	\$0.00	\$0.03700
Brett Mitchell <sup>(1)</sup>	375,000	22/08/2024	22/08/2028	\$0.00	\$0.03700
Brett Mitchell <sup>(2)</sup>	375,000	22/08/2024	22/08/2028	\$0.00	\$0.03380
Brett Mitchell <sup>(3)</sup>	500,000	22/08/2024	22/08/2028	\$0.00	\$0.03090

(1) The vesting condition is the Company needs to achieve a share price of at least \$0.10 over 20 consecutive trading days.

(2) The vesting condition is the Company needs to achieve and sustain a market capitalisation of at least \$7.5 million over 20 consecutive trading days.

(3) The vesting condition is the Company needs to achieve and sustain a market capitalisation of at least \$12.5 million over 20 consecutive trading days.

Performance rights granted carry no dividend or voting rights.

The number of performance rights over ordinary shares granted to and vested by directors and other key management personnel as part of compensation during the year ended 31 December 2025 are set out below:

Name	Number of rights granted during the year 2025	Number of rights granted during the year 2024	Number of rights vested during the year 2025	Number of rights vested during the year 2024
Robert Proulx <sup>(1)</sup>	-	2,000,000	1,400,000	-
Brett Mitchell <sup>(2)</sup>	-	1,250,000	875,000	-

(1) The vesting conditions for Class B 600,000 performance rights and Class C 800,000 performance rights were satisfied and the performance rights vested during the year. Mr Robert Roulx exercised 100% of these performance rights for 1,400,000 ordinary shares issued on 29 December 2025.

(2) The vesting conditions for Class B 375,000 performance rights and Class C 500,000 performance rights were satisfied and the performance rights vested during the year. No performance rights were exercised as at 31 December 2025.

**Additional information**

The earnings of the Consolidated Entity for the five years to 31 December 2025 are summarised below:

	2025	2024	2023	2022	2021
	\$	\$	\$	\$	\$
Sales revenue	73,031	2,665,135	4,970,756	3,070,925	2,855,566
Loss after income tax	(4,309,456)	(2,066,957)	(12,473,916)	(9,807,208)	(6,024,706)

The factors that are considered to affect total shareholders return ('TSR') are summarised below:

	2025	2024	2023	2022	2021
Share price at financial year end (\$)	0.025	0.023	0.355	0.960	3.040
Basic earnings per share (cents per share)	(1.553)	(4.599)	(40.920)	(0.350)	(0.230)
Diluted earnings per share (cents per share)	(1.553)	(4.599)	(40.920)	(0.350)	(0.230)

**Imagion Biosystems Limited**  
**Directors' report**  
**31 December 2025**

**Additional disclosures relating to key management personnel**

**Shareholding**

The number of shares in the Company held during the financial year by each director and other members of key management personnel of the Consolidated Entity, including their personally related parties, is set out below:

	Balance at the start of the year	Received as part of remuneration	On-market Additions / (disposals) <sup>(2)</sup>	Balance at the end of the year
<b>Ordinary shares</b>				
Robert Proulx	1,404,082	-	3,066,667	4,470,749
Brett Mitchell	4,270,908	-	1,666,667	5,937,575
Nina Webster <sup>(1)</sup>	-	-	565,211	565,211
	<u>5,674,990</u>	<u>-</u>	<u>5,298,545</u>	<u>10,973,535</u>

(1) Dr Nina Webster was appointed as Non-Executive Director on 1 September 2025.

(2) Represented shares issued as part of the Placement and conversion of vested performance rights into shares.

**Option holding**

The number of options over ordinary shares in the Company held during the financial year by each director and other members of key management personnel of the Consolidated Entity, including their personally related parties, is set out below:

	Balance at the start of the year	Granted <sup>(1)</sup>	Exercised	Expired/ forfeited/ other	Balance at the end of the year
<b>Options over ordinary shares</b>					
Robert Proulx <sup>(2)</sup>	775,000	3,666,667	-	-	4,441,667
Brett Mitchell <sup>(3)</sup>	2,500,000	3,666,667	-	-	6,166,667
	<u>3,275,000</u>	<u>7,333,334</u>	<u>-</u>	<u>-</u>	<u>10,608,334</u>

(1) 1,666,667 free attaching listed options, exercisable at \$0.04 and expiring on 13 December 2027, were issued on 26 September 2026 as part of the Placement to each of the directors of the Company, Mr Brett Mitchell and Mr Robert Proulx.

(2) 2,000,000 options were issued to Mr Robert Proulx on 10 July 2025 as part of the Company's employee incentive scheme, exercisable at \$0.012 and expiring on 29 May 2030.

(3) 2,000,000 options were issued to Mr Brett Mitchell on 10 July 2025 as part of the Company's employee incentive scheme, exercisable at \$0.019 and expiring on 29 May 2028.

**Performance rights holding**

The number of performance shares in the Company held during the financial year by each director and other members of key management personnel of the Consolidated Entity, including their personally related parties, is set out below:

Name	Balance at start of year	Granted	Exercised	Expired / forfeited / other	Balance at the end of year
Robert Proulx <sup>(1)</sup>	2,000,000	-	(1,400,000)	-	600,000
Brett Mitchell <sup>(2)</sup>	1,250,000	-	-	-	1,250,000
	<u>3,250,000</u>	<u>-</u>	<u>(1,400,000)</u>	<u>-</u>	<u>1,850,000</u>

(1) The vesting conditions for Class B 600,000 performance rights and Class C 800,000 performance rights were satisfied and the performance rights vested during the year. Mr Robert Roulx exercised 100% of these performance rights for 1,400,000 ordinary shares issued on 29 December 2025.

(2) The vesting conditions for Class B 375,000 performance rights and Class C 500,000 performance rights were satisfied and the performance rights vested during the year. No performance rights were exercised as at 31 December 2025.

**Loans to key management personnel and their related parties**

There were no loans to key management personnel at any time during the financial year (2024: Nil).

**Imagion Biosystems Limited**  
**Directors' report**  
**31 December 2025**

*Other transactions with key management personnel and their related party*

The following payments were made to key management personnel and their related party:

	<b>Consolidated</b>	
	<b>2025</b>	<b>2024</b>
	<b>\$</b>	<b>\$</b>
Payment for goods and services:		
Payment for Vistra (Australia) Pty Limited <sup>(1)</sup>	339,067	68,673
Payment to Sibella Capital Pty Ltd <sup>(2)</sup>	170,500	60,500
Payment to Jaclani Pty Ltd <sup>(3)</sup>	16,800	-
	<u>526,367</u>	<u>129,173</u>

(1) Vistra (Australia) Pty Limited provides Resident Director, company secretarial, accounting and legal advisory services and is an entity related to Ms Melanie Leydin.

(2) Sibella Capital Pty Ltd provides consulting services and is an entity related to Mr Brett Mitchell.

(3) Jaclani Pty Ltd is an entity related to Dr Nina Webster. The payments relate to Dr Webster's Director fee.

The following balance was outstanding at the reporting date in relation to transactions with key management personnel and their related party:

	<b>Consolidated</b>	
	<b>2025</b>	<b>2024</b>
	<b>\$</b>	<b>\$</b>
Trade and other payables:		
Vistra (Australia) Pty Limited	22,649	68,784
Sibella Capital Pty Ltd	11,000	11,000
Jaclani Pty Ltd	5,600	-
	<u>39,249</u>	<u>79,784</u>

***This concludes the remuneration report, which has been audited.***

**Imagion Biosystems Limited**  
**Directors' report**  
**31 December 2025**

**Shares under option**

Unissued ordinary shares of Imagion Biosystems Limited under option at the date of this report are as follows:

<b>Grant date</b>	<b>Expiry date</b>	<b>Exercise price</b>	<b>Number under option</b>
01/06/2020	01/05/2026	\$1.12000	68,750
01/06/2020	01/05/2027	\$1.12000	68,750
01/06/2020	01/05/2028	\$1.12000	50,000
14/12/2021	30/11/2030	\$3.48800	25,000
14/12/2021	30/11/2027	\$3.48800	25,000
14/12/2021	30/11/2028	\$3.48800	25,000
14/12/2021	30/11/2029	\$3.48800	25,000
25/07/2022	31/07/2027-28/02/2028	\$1.68000	21,775
21/03/2023	21/03/2026	\$1.49600	353,474
31/05/2023	26/05/2026	\$1.49600	699,897
01/06/2023	01/06/2026	\$1.49600	702,248
25/08/2023	25/08/2026	\$0.90000	1,164,597
23/09/2023	30/09/2028-28/02/2029	\$0.64000	75,000
05/06/2024	29/05/2027	\$0.11284	2,048,122
19/09/2024	10/09/2027	\$0.04284	12,254,902
09/12/2024	09/12/2027	\$0.04000	3,125,000
09/12/2024	09/12/2027	\$0.04000	22,500,000
09/12/2024	09/12/2027	\$0.04000	75,000,000
30/05/2025	29/05/2028	\$0.01900	2,000,000
30/05/2025	29/05/2030	\$0.01200	3,500,000
22/07/2025	29/05/2030	\$0.01200	1,200,000
24/09/2025	21/09/2028	\$0.04000	26,250,000
24/09/2025	13/12/2027	\$0.04000	233,333,334
			384,515,849

No person entitled to exercise the options had or has any right by virtue of the option to participate in any share issue of the Company or of any other body corporate.

**Shares under performance rights**

Unissued ordinary shares of Imagion Biosystems Limited under performance rights at the date of this report are as follows:

<b>Grant date</b>	<b>Expiry date</b>	<b>Number under rights</b>
22/08/2024	22/08/2028	975,000
22/08/2024	22/08/2028	375,000
22/08/2024	22/08/2028	500,000
		1,850,000

No person entitled to exercise the performance rights had or has any right by virtue of the performance right to participate in any share issue of the Company or of any other body corporate.

**Shares issued on the exercise of options**

There were no ordinary shares of Imagion Biosystems Limited issued on the exercise of options during the year ended 31 December 2025 and up to the date of this report.

**Imagion Biosystems Limited**  
**Directors' report**  
**31 December 2025**

**Shares issued on the exercise of performance rights**

The following ordinary shares of Imagion Biosystems Limited were issued during the year ended 31 December 2025 and up to the date of this report on the exercise of performance rights granted:

<b>Date performance rights granted</b>	<b>Exercise price</b>	<b>Number of shares issued</b>
22/08/2024	\$0.00000	600,000
22/08/2024	\$0.00000	<u>800,000</u>
		<u><u>1,400,000</u></u>

**Shares issued on conversion of convertible note**

The following ordinary shares of Imagion Biosystems Limited were issued during the year ended 31 December 2025 and up to the date of this report on the conversion of convertible notes:

<b>Date convertible notes granted</b>	<b>Number of shares issued</b>
21/03/2023	6,242,437
21/03/2023	17,123,288
21/03/2023	10,000,000
21/03/2023	8,000,000
21/03/2023	3,048,484
01/06/2023	<u>6,050,000</u>
	<u><u>50,464,209</u></u>

**Indemnity and insurance of officers**

The Company has indemnified the directors and executives of the Company for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the Company paid a premium in respect of a contract to insure the directors and executives of the Company against a liability to the extent permitted by the *Corporations Act 2001*. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

**Proceedings on behalf of the Company**

No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

**Non-audit services**

There were no non-audit services provided during the financial year by the auditor.

**Officers of the Company who are former partners of RSM Australia Partners**

There are no officers of the Company who are former partners of RSM Australia Partners.

**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.

**Auditor**

RSM Australia Partners continues in office in accordance with section 327 of the *Corporations Act 2001*.

**Imagion Biosystems Limited**  
**Directors' report**  
**31 December 2025**

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the *Corporations Act 2001*.

On behalf of the directors



---

Robert Proulx  
Executive Chairman

27 February 2026

For personal use

**RSM Australia Partners**

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**AUDITOR'S INDEPENDENCE DECLARATION**

As lead auditor for the audit of the financial report of Imagion Biosystems Limited and its Controlled Entity for the year ended 31 December 2025, 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 audit; and
- (ii) any applicable code of professional conduct in relation to the audit.



**RSM AUSTRALIA PARTNERS**



**B Y CHAN**  
Partner

Date: 27 February 2026  
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

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**Imagion Biosystems Limited**  
**Consolidated Statement of Profit or Loss and Other Comprehensive Income**  
**For the year ended 31 December 2025**

	Note	Consolidated 2025 \$	2024 \$
<b>Revenue</b>			
Revenue and other income	5	32,369	2,227,856
Research & development tax incentives		40,662	437,279
		<u>73,031</u>	<u>2,665,135</u>
<b>Expenses</b>			
Research & development expenses		(2,102,597)	(401,036)
Professional fees		(949,262)	(864,330)
General expenses		(263,069)	(871,192)
Employee benefits expense		(167,021)	(872,379)
Foreign exchange (loss)/gain		(4,842)	3,591
Depreciation and amortisation expenses	6	(8,808)	(392,053)
Fair value movement of derivatives		54,822	(181,041)
Share-based payments expense		(94,135)	(11,715)
Finance costs	6	<u>(847,575)</u>	<u>(1,141,937)</u>
<b>Loss before income tax expense</b>		(4,309,456)	(2,066,957)
Income tax expense	7	<u>-</u>	<u>-</u>
<b>Loss after income tax expense for the year attributable to the owners of Imagion Biosystems Limited</b>		(4,309,456)	(2,066,957)
<b>Other comprehensive income</b>			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation		<u>102,108</u>	<u>(138,891)</u>
Other comprehensive income for the year, net of tax		<u>102,108</u>	<u>(138,891)</u>
<b>Total comprehensive income for the year attributable to the owners of Imagion Biosystems Limited</b>		<u>(4,207,348)</u>	<u>(2,205,848)</u>
		<b>Cents</b>	<b>Cents</b>
Basic loss per share	27	(1.553)	(4.599)
Diluted loss per share	27	(1.553)	(4.599)

*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 2025**

	Note	Consolidated 2025 \$	2024 \$
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	8	1,847,668	2,670,517
Trade and other receivables		15,806	886
Other current assets	9	172,216	114,042
<b>Total current assets</b>		<u>2,035,690</u>	<u>2,785,445</u>
<b>Non-current assets</b>			
Plant and equipment	10	8,488	18,274
<b>Total non-current assets</b>		<u>8,488</u>	<u>18,274</u>
<b>Total assets</b>		<u>2,044,178</u>	<u>2,803,719</u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	11	1,513,604	2,239,398
Lease liabilities	12	36,427	53,787
Convertible notes and derivative financial instruments	13	2,656,064	2,793,514
<b>Total current liabilities</b>		<u>4,206,095</u>	<u>5,086,699</u>
<b>Total liabilities</b>		<u>4,206,095</u>	<u>5,086,699</u>
<b>Net liabilities</b>		<u>(2,161,917)</u>	<u>(2,282,980)</u>
<b>Equity</b>			
Issued capital	14	65,957,741	62,544,190
Reserves	15	3,202,341	2,185,373
Accumulated losses		<u>(71,321,999)</u>	<u>(67,012,543)</u>
<b>Total deficiency in equity</b>		<u>(2,161,917)</u>	<u>(2,282,980)</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**  
**For the year ended 31 December 2025**

<b>Consolidated</b>	<b>Issued capital</b> \$	<b>Reserves</b> \$	<b>Accumulated losses</b> \$	<b>Total deficiency in equity</b> \$
Balance at 1 January 2024	59,605,923	4,921,408	(68,315,378)	(3,788,047)
Loss after income tax expense for the year	-	-	(2,066,957)	(2,066,957)
Other comprehensive income for the year, net of tax	-	(138,891)	-	(138,891)
Total comprehensive income for the year	-	(138,891)	(2,066,957)	(2,205,848)
<i>Transactions with owners in their capacity as owners:</i>				
Contributions of equity	3,125,225	-	-	3,125,225
Costs of contributions of equity	(660,411)	-	-	(660,411)
Shares issued as part of debt modifications (note 14)	354,528	-	-	354,528
Shares issued for settlements of payables (note 14)	118,925	-	-	118,925
Share-based payments (note 28)	-	11,715	-	11,715
Value of options issued to Mercer	-	292,710	-	292,710
Value of options issued to Lead Manager	-	468,223	-	468,223
Reallocation of value of expired and cancelled options	-	(3,369,792)	3,369,792	-
Balance at 31 December 2024	<u>62,544,190</u>	<u>2,185,373</u>	<u>(67,012,543)</u>	<u>(2,282,980)</u>

<b>Consolidated</b>	<b>Issued capital</b> \$	<b>Reserves</b> \$	<b>Accumulated losses</b> \$	<b>Total deficiency in equity</b> \$
Balance at 1 January 2025	62,544,190	2,185,373	(67,012,543)	(2,282,980)
Loss after income tax expense for the year	-	-	(4,309,456)	(4,309,456)
Other comprehensive income for the year, net of tax	-	102,108	-	102,108
Total comprehensive income for the year	-	102,108	(4,309,456)	(4,207,348)
<i>Transactions with owners in their capacity as owners:</i>				
Shares issued as part of Placement (note 14)	3,500,263	-	-	3,500,263
Costs of issue (note 14)	(1,127,874)	-	-	(1,127,874)
Shares issued for settlements of payables (note 14)	70,000	-	-	70,000
Share-based payments (note 28)	-	94,135	-	94,135
Value of options issued to Lead Manager	-	865,725	-	865,725
Shares issued for conversion of performance rights (note 14)	45,000	(45,000)	-	-
Shares issued for conversion of convertible notes (note 14)	926,162	-	-	926,162
Balance at 31 December 2025	<u>65,957,741</u>	<u>3,202,341</u>	<u>(71,321,999)</u>	<u>(2,161,917)</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 2025**

	Note	Consolidated 2025 \$	2024 \$
<b>Cash flows from operating activities</b>			
Receipts from customers (inclusive of GST)		-	1,088,797
Payments to suppliers and employees (inclusive of GST)		(4,119,271)	(2,710,794)
Interest received		41,672	4,626
Interest and other finance costs paid		(6,767)	(16,275)
Government grants and tax incentives		40,662	363,035
		<u>                    </u>	<u>                    </u>
Net cash used in operating activities	26	<u>(4,043,704)</u>	<u>(1,270,611)</u>
<b>Cash flows from investing activities</b>			
Proceeds/(Payments) for property, plant and equipment	10	<u>                    -</u>	<u>                    83,744</u>
Net cash from investing activities		<u>                    -</u>	<u>                    83,744</u>
<b>Cash flows from financing activities</b>			
Proceeds from issue of shares	14	3,500,263	3,125,226
Proceeds from the issue of convertible notes		-	720,000
Transaction costs in relation to issue of shares		(257,518)	(192,188)
Repayment of lease liabilities		<u>                    -</u>	<u>                   (43,231)</u>
Net cash from financing activities		<u>          3,242,745</u>	<u>          3,609,807</u>
Net (decrease)/increase in cash and cash equivalents		(800,959)	2,422,940
Cash and cash equivalents at the beginning of the financial year		2,670,517	227,084
Effects of exchange rate changes on cash and cash equivalents		<u>          (21,890)</u>	<u>                  20,493</u>
Cash and cash equivalents at the end of the financial year	8	<u><u>          1,847,668</u></u>	<u><u>          2,670,517</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**  
**31 December 2025**

**Note 1. General information**

The financial statements cover Imagion Biosystems Limited as a Consolidated Entity consisting of Imagion Biosystems Limited and the entities it controlled at the end of, or during, the year. The financial statements are presented in Australian dollars, which is Imagion Biosystems Limited's functional and presentation currency.

Imagion Biosystems Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

**Registered office & Principal place of business**

Suite 2, Level 11, 385 Bourke Street  
Melbourne VIC 3000

A description of the nature of the Consolidated Entity's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 27 February 2026. The directors have the power to amend and reissue the financial statements.

**Note 2. Material accounting policy information**

The accounting policies that are material to the Consolidated Entity are set out below. The accounting policies adopted are consistent with those of the previous financial year, unless otherwise stated.

**New or amended Accounting Standards and Interpretations adopted**

The Consolidated Entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Consolidated Entity.

**Basis of preparation**

These general-purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the *Corporations Act 2001*, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

*Historical cost convention*

The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of available-for-sale financial assets, financial assets and liabilities at fair value through profit or loss, investment properties, certain classes of property, plant and equipment and derivative financial instruments.

*Critical accounting estimates*

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Consolidated Entity's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

**Parent entity information**

In accordance with the *Corporations Act 2001*, these financial statements present the results of the Consolidated Entity only. Supplementary information about the parent entity is disclosed in note 23.

**Principles of consolidation**

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Imagion Biosystems Limited ('Company' or 'parent entity') as at 31 December 2025 and the results of all subsidiaries for the year then ended. Imagion Biosystems Limited and its subsidiaries together are referred to in these financial statements as the 'Consolidated Entity'.

**Note 2. Material accounting policy information (continued)**

Subsidiaries are all those entities over which the Consolidated Entity has control. The Consolidated Entity controls an entity when the Consolidated Entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Consolidated Entity. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the Consolidated Entity are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Consolidated Entity.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Non-controlling interest in the results and equity of subsidiaries are shown separately in the consolidated statement of profit or loss and other comprehensive income, consolidated statement of financial position and consolidated statement of changes in equity of the Consolidated Entity. Losses incurred by the Consolidated Entity are attributed to the non-controlling interest in full, even if that results in a deficit balance.

Where the Consolidated Entity loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The Consolidated Entity recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

**Foreign currency translation**

The financial statements are presented in Australian dollars, which is Imagion Biosystems Limited's functional and presentation currency.

*Foreign currency transactions*

Foreign currency transactions are translated into Australian dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

*Foreign operations*

The assets and liabilities of foreign operations are translated into Australian dollars using the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated into Australian dollars using the average exchange rates, which approximate the rates at the dates of the transactions, for the period. All resulting foreign exchange differences are recognised in other comprehensive income through the foreign currency reserve in equity.

The foreign currency reserve is recognised in profit or loss when the foreign operation or net investment is disposed of.

**Going concern**

The financial statements have been prepared on the going concern basis, which contemplates the 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 \$4,309,456 (2024: \$2,066,957), and had net cash outflows from operating activities of \$4,043,704 (2024: \$1,270,611) for the year ended 31 December 2025 and, as of that date, the Consolidated Entity had net current liabilities of \$2,170,405 and net liabilities of \$2,161,917.

These factors indicate a material uncertainty which may cast significant doubt as to whether the Consolidated Entity will continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

The Directors have prepared the financial statements for the Consolidated Entity on a going concern basis after consideration the following factors:

**Note 2. Material accounting policy information (continued)**

- As disclosed in note 13, the Consolidated Entity has an approved facility with Mercer Street Global Opportunity Fund, LLC (Mercer) for \$10.78 million. The ability to draw down on the facility is subject to mutual agreement with Mercer and their continued support.
- The Consolidated Entity has a proven record of being able to raise funds to support its ongoing activities.

With these mitigating factors considered, the directors believe that the Consolidated Entity will be able to meet its debts as and when they fall due for a period of 12 months from the date of signing this financial report. On this basis, the directors believe that it is appropriate to adopt the going concern basis in the preparation of this financial report.

This financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be necessarily incurred should the Consolidated Entity not continue as a going concern.

**Revenue recognition**

The Consolidated Entity recognises revenue as follows:

*Other revenue*

- Other revenue is recognised when it is received or when the right to receive payment is established.

**Research and development tax incentive**

Research and Development tax incentives are recognised in accordance with AASB 120: Accounting for Government Grants and Government Assistance. The Research and development tax credit is recognised when there is reasonable assurance that the grant will be received and all conditions have been complied with. The grant has been recognised as other income within the period.

**Income tax**

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

**Cash and cash equivalents**

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. For the consolidated statement of cash flows presentation purposes, cash and cash equivalents also includes bank overdrafts, which are shown within borrowings in current liabilities on the consolidated statement of financial position.

**Note 2. Material accounting policy information (continued)**

**Plant and equipment**

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Plant and equipment	3-10 years
---------------------	------------

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the Consolidated Entity. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

**Research and development**

Research costs for the development of intellectual property are expenses in the period in which they are incurred.

**Trade and other payables**

These amounts represent liabilities for goods and services provided to the Consolidated Entity prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

**Borrowings**

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

**Finance costs**

Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred.

**Provisions**

Provisions are recognised when the Consolidated Entity has a present (legal or constructive) obligation as a result of a past event, it is probable the Consolidated Entity will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

**Employee benefits**

*Share-based payments*

Equity-settled and cash-settled share-based compensation benefits are provided to employees.

Equity-settled transactions are awards of shares, or options over shares, that are provided to employees in exchange for the rendering of services. Cash-settled transactions are awards of cash for the exchange of services, where the amount of cash is determined by reference to the share price.

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using either the Binomial or Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the Consolidated Entity receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

**Note 2. Material accounting policy information (continued)**

The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

The cost of cash-settled transactions is initially, and at each reporting date until vested, determined by applying either the Binomial or Black-Scholes option pricing model, taking into consideration the terms and conditions on which the award was granted. The cumulative charge to profit or loss until settlement of the liability is calculated as follows:

- during the vesting period, the liability at each reporting date is the fair value of the award at that date multiplied by the expired portion of the vesting period.
- from the end of the vesting period until settlement of the award, the liability is the full fair value of the liability at the reporting date.

All changes in the liability are recognised in profit or loss. The ultimate cost of cash-settled transactions is the cash paid to settle the liability.

Market conditions are taken into consideration in determining fair value. Therefore any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the Consolidated Entity or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the Consolidated Entity or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

**Fair value measurement**

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Assets and liabilities measured at fair value are classified into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

**Note 2. Material accounting policy information (continued)**

**Convertible notes**

Convertible notes can be converted to ordinary shares at the option of the holder.

Embedded derivative component has been reflected as it is likely that the holder will convert and notes prior to them becoming due and payable as the floor conversion price is lower than the Consolidated Entity's share price.

The host financial liability is measured at amortised cost using the effective interest method until it is extinguished on conversion or redemption. Interest related to the financial liability is recognised in profit or loss.

**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.

**Earnings per share**

*Basic earnings per share*

Basic earnings per share is calculated by dividing the profit attributable to the owners of Imagion Biosystems Limited, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

*Diluted earnings per share*

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

**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 dollar.

**Note 3. Critical accounting judgements, estimates and assumptions**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

*Share-based payment transactions*

The Consolidated Entity measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using either the Binomial, Black-Scholes or Monte Carlo Simulation model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

*Fair value measurement hierarchy*

The Consolidated Entity is required to classify all assets and liabilities, measured at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being: Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date; Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and Level 3: Unobservable inputs for the asset or liability. Considerable judgement is required to determine what is significant to fair value and therefore which category the asset or liability is placed in can be subjective.

**Imagion Biosystems Limited**  
**Notes to the financial statements**  
**31 December 2025**

**Note 3. Critical accounting judgements, estimates and assumptions (continued)**

*Assessment of the conversion features of the convertible notes*

During the year ended 31 December 2025, the Consolidated Entity had convertible notes with conversion clauses that were both fixed and variable. For the convertible notes with variable conversion terms, at initial recognition an embedded derivative is recognised on the statement of financial position at fair value and that embedded derivative is subsequently recorded at its fair value thereafter, with changes in fair value going through to the statement of profit or loss and other comprehensive income. The difference between the consideration received (net of costs) and the embedded derivative is reflected in the principal value of the convertible note liability.

**Note 4. Operating segments**

*Identification of reportable 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 determining the allocation of resources).

*Geographical information*

The Consolidated Entity has non-current assets and derives revenue in two geographical areas as outlined below:

	<b>United States of America \$</b>	<b>Australia \$</b>	<b>Total \$</b>
<b>Consolidated - 2025</b>			
<b>Revenue</b>			
Revenue and other income	-	32,369	32,369
Research & development tax incentives	-	40,662	40,662
<b>Total revenue</b>	<b>-</b>	<b>73,031</b>	<b>73,031</b>
<b>Non-current assets</b>			
Property, plant and equipment	8,487	-	8,487

	<b>United States of America \$</b>	<b>Australia \$</b>	<b>Total \$</b>
<b>Consolidated - 2024</b>			
<b>Revenue</b>			
Revenue and other income	1,208,497	1,019,359	2,227,856
Research & development tax incentives	-	437,279	437,279
<b>Total revenue</b>	<b>1,208,497</b>	<b>1,456,638</b>	<b>2,665,135</b>
<b>Non-current assets</b>			
Property, plant and equipment	18,274	-	18,274

**Imagion Biosystems Limited**  
**Notes to the financial statements**  
**31 December 2025**

**Note 5. Revenue and other income**

	<b>Consolidated</b>	
	<b>2025</b>	<b>2024</b>
	<b>\$</b>	<b>\$</b>
<i>Sales revenue:</i>		
Sale of goods	-	1,160,211
<i>Other revenue:</i>		
Interest income	32,369	10,091
Sub-lease revenue	-	48,286
Gain on modification of debt	-	1,009,268
	<u>32,369</u>	<u>2,227,856</u>

Geographical regions are disclosed in Note 4.

**Note 6. Expenses**

	<b>Consolidated</b>	
	<b>2025</b>	<b>2024</b>
	<b>\$</b>	<b>\$</b>
Loss before income tax includes the following specific expenses:		
<i>Depreciation:</i>		
Plant and equipment (note 10)	8,808	47,485
Right-of-use assets	-	344,568
Total depreciation	<u>8,808</u>	<u>392,053</u>
<i>Fair value:</i>		
Fair value loss/(gain) of derivatives (note 13)	<u>54,822</u>	<u>181,041</u>
<i>Finance costs:</i>		
Interest payable on hire purchase liabilities (note 12)	3,961	1,386
Unwinding of the lease liability interest (note 12)	80	41,572
Interest charges on convertible notes	<u>843,534</u>	<u>1,098,979</u>
Finance costs expensed	<u>847,575</u>	<u>1,141,937</u>

(1) Finance arranger fees were incurred in relation to the convertible note facility.

**Note 7. Income tax expense**

	<b>Consolidated</b>	
	<b>2025</b>	<b>2024</b>
	<b>\$</b>	<b>\$</b>
<i>Tax losses not recognised</i>		
Unused tax losses for which no deferred tax asset has been recognised (Australia)	<u>17,711,417</u>	<u>13,401,961</u>
Potential tax benefit @ 25%	<u>4,427,854</u>	<u>3,350,490</u>
Unused tax losses for which no deferred tax asset has been recognised (USA)	<u>30,865,955</u>	<u>28,327,088</u>
Potential tax benefit at statutory tax rates	<u>-</u>	<u>-</u>

**Imagion Biosystems Limited**  
**Notes to the financial statements**  
**31 December 2025**

**Note 7. Income tax expense (continued)**

The above potential tax benefit for tax losses has not been recognised in the consolidated statement of financial position. These tax losses can only be utilised in the future if the Company satisfies the relevant tax loss rules in the relevant jurisdictions and the Company earns sufficient taxable profit to absorb the losses.

**Note 8. Cash and cash equivalents**

	<b>Consolidated</b>	
	<b>2025</b>	<b>2024</b>
	<b>\$</b>	<b>\$</b>
Cash on hand	2	2
Cash at bank	1,847,666	2,670,515
	<u>1,847,668</u>	<u>2,670,517</u>

**Note 9. Other current assets**

	<b>Consolidated</b>	
	<b>2025</b>	<b>2024</b>
	<b>\$</b>	<b>\$</b>
GST refundable	18,394	32,714
Prepayments	148,244	81,328
Other assets	5,578	-
	<u>172,216</u>	<u>114,042</u>

**Note 10. Plant and equipment**

	<b>Consolidated</b>	
	<b>2025</b>	<b>2024</b>
	<b>\$</b>	<b>\$</b>
Plant and equipment, at cost	101,877	109,677
Less: Accumulated depreciation	(93,389)	(91,403)
	<u>8,488</u>	<u>18,274</u>

*Reconciliations*

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>Plant and equipment \$</b>	<b>Leasehold improvement s \$</b>	<b>Total \$</b>
Balance at 1 January 2024	326,485	409,916	736,401
Disposals	(296,403)	(374,239)	(670,642)
Depreciation expense	(11,808)	(35,677)	(47,485)
Balance at 31 December 2024	18,274	-	18,274
Exchange differences	(978)	-	(978)
Depreciation expense	(8,808)	-	(8,808)
Balance at 31 December 2025	<u>8,488</u>	<u>-</u>	<u>8,488</u>

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**Note 11. Trade and other payables**

	<b>Consolidated</b>	
	<b>2025</b>	<b>2024</b>
	\$	\$
<i>Current liabilities</i>		
Trade payables	1,195,199	2,074,245
Other payables and accruals	318,405	165,153
	<u>1,513,604</u>	<u>2,239,398</u>

**Note 12. Lease liabilities**

	<b>Consolidated</b>	
	<b>2025</b>	<b>2024</b>
	\$	\$
<i>Current liabilities</i>		
Hire purchase liabilities at 7.9% p.a.	36,427	53,787
	<u>36,427</u>	<u>53,787</u>

Information in relation to the lease liability - premises is below:

	<b>Consolidated</b>	
	<b>2025</b>	<b>2024</b>
	\$	\$
<i>Maturity analysis - contractual undiscounted cash flows</i>		
Less than one year	40,060	57,839
<i>Amounts recognised in profit and loss</i>		
Interest on lease liabilities	80	41,572
Interest on hire purchase liabilities	3,961	1,386
	<u>4,041</u>	<u>42,958</u>
<i>Amounts recognised in cash flows</i>		
Cash outflow for leases	-	43,231

**Note 13. Convertible notes and derivative financial instruments**

	<b>Consolidated</b>	
	<b>2025</b>	<b>2024</b>
	<b>\$</b>	<b>\$</b>
<i>Current liabilities</i>		
Convertible notes payable	2,527,963	2,594,771
Embedded derivatives	128,101	198,743
	<u>2,656,064</u>	<u>2,793,514</u>

On 7 March 2023 the Consolidated Entity announced a funding package of up to \$15 million with Mercer Street Global Opportunity Fund, LLC, a New York based investment fund (Mercer). In 2023 financial year, the Company raised \$3,500,000 through the issue of 3,850,000 convertible notes ("2023 Notes").

During the year ended 31 December 2024, following convertible notes ('2024 Note') were issued:

- (i) On 29 May 2024, the Company issued 242,000 Convertible Notes ('2024 Note') with a face value of \$1.00 per Note at a discounted subscription price of \$0.90909 and raised \$220,000 before costs. The Company also issued 2,048,122 options with an exercise price of \$0.11284 per option to the Note holders, with expiry on 29 May 2027.
- (ii) On 19 September 2024, the Company issued 550,000 2024 Notes with a face value of \$1.00 per 2024 Note and at a discounted subscription price of \$0.90909 to raise a maximum of approximately \$500,000 before costs. The Company also, and grant of issued 12,254,902 options with an exercise price of \$0.04284 per option to the Note holders, and expiring on 19 September 2027.

As at 31 December 2025, the available balance of the Mercer facility was \$10.78 million. This can be drawn by the Consolidated Entity, subject to mutual agreement with Mercer and their continued support under the ASX Listing Rules or obtaining shareholder approval to issue the relevant securities.

All of the convertible notes have the following features:

- Face value of \$1.00 at a subscription price of \$0.90909;
- No coupon is payable on drawn funds and no interest is payable on unconverted drawn funds;
- The conversion price is the higher of the 90% of the lowest VWAP during the 15 trading days immediately prior to issuing the relevant conversion notice or the floor price;
- Each convertible note provides Mercer with the option to convert the notes into ordinary shares. If Mercer does not convert the convertible notes by the relevant maturity dates (18 months from issue date), the Consolidated Entity is required to repay Mercer the face value of the notes; and
- The Consolidated Entity has the option to repay the convertible notes prior to the relevant maturity dates at 105% of the outstanding face value. At that time Mercer has the right to convert up to 30% of any outstanding face value prior to settlement.

On 17 July 2024, the Company executed a deed of variation ('Deed') with Mercer Street Global Opportunity Fund, LLC ('Mercer') in respect of convertible securities agreement entered into between the Company and Mercer on 7 March 2023 ('Convertible Securities Agreement'). The below table set out the variations to the Convertible Securities Agreement:

**Note 13. Convertible notes and derivative financial instruments (continued)**

<b>Matter</b>	<b>Particulars</b>
Floor Price	\$0.04, subject to adjustment in accordance with the Convertible Securities Agreement.
Qualifying Capital Raising	If a capital raising occurs which raises \$10,000,000 or more ('Qualifying Capital Raising'), the Company must give Mercer written notice of such event. In circumstances where: (a) the Qualifying Capital Raising is between \$10 million and \$15 million, Mercer may require repayment by the Company of some or all of up to 50% of the Notes; and (b) where the Qualifying Capital Raising is more than \$15 million, Mercer may require repayment by the Company of some or all of up to 100% of the Notes, by giving written notice to the Company no later than 20 Business Days after the date of the notice issued by the Company. Repayment of the nominated outstanding Notes must occur 5 Business Days after the date the on which notice is given to Mercer by the Company.
Maturity Date	(a) In respect of the First and Second tranches, the maturity date is 30 months from the date of issue. (b) In respect of the subsequent tranches, the Maturity Date is 18 months from the expiry date.

*Valuation methodology applied in valuing Convertible Notes*

Upon issue of the Notes, the Group valued the Convertible Notes using the Black Scholes option pricing model to determine the value of the embedded derivative. The Black Scholes option pricing model assumes the option holder will exercise at expiry (i.e. the note will be converted on maturity) to predict the Group's possible future share prices to determine the Variable Conversion Price.

Significant unobservable inputs in applying this technique include the Company's future share price, exercise price, expiry date and volatility.

A Trinomial option valuation methodology has been used to determine the value of the Options issued to the noteholders.

Reconciliations of convertible notes at the beginning and end of the current and previous financial year are set out below:

	<b>2025</b>		<b>2024</b>	
	<b>No.</b>	<b>\$</b>	<b>No.</b>	<b>\$</b>
Opening balance	4,174,273	2,594,771	3,550,000	2,450,000
Convertible notes issued during the year	-	-	792,000	720,000
Transfer to convertible notes reserve on issue of options (note 15)	-	-	-	(59,821)
Transaction costs associated with issue	-	-	-	(229,821)
Fair value gains on embedded derivative	-	15,820	-	(17,702)
Amortisations and accrued interest charged on convertible notes over the period	-	843,534	-	1,095,911
Conversion of convertible notes into shares during the year	(1,348,061)	(926,162)	(167,727)	(144,527)
Shares issued to facilitate debt modification	-	-	-	(210,001)
Gain on modification of debt	-	-	-	(1,009,268)
Closing balance	<u>2,826,212</u>	<u>2,527,963</u>	<u>4,174,273</u>	<u>2,594,771</u>

*Security*

The Consolidated Entity, via entering into a general security deed, has granted Mercer Street Global Opportunity Fund, LLC a first ranking security against any present and after-acquired secured property and revolving assets.

**Note 14. Issued capital**

	<b>2025</b>	<b>Consolidated</b>	<b>2025</b>	<b>2024</b>
	<b>Shares</b>	<b>Shares</b>	<b>\$</b>	<b>\$</b>
Ordinary shares - fully paid	<u>487,541,755</u>	<u>201,341,415</u>	<u>65,957,741</u>	<u>62,544,190</u>

*Movements in ordinary share capital*

<b>Details</b>	<b>Date</b>	<b>Shares</b>	<b>Issue price</b>	<b>\$</b>
Balance	01/01/2024	32,646,551		59,605,923
Placement	23/10/2024	5,346,558	\$0.02000	106,931
Placement	09/12/2024	144,653,442	\$0.02000	2,893,294
Conversion of 81,822 Convertible notes	01/11/2024	2,045,556	\$0.03444	70,449
Conversion of 85,905 Convertible notes	04/12/2024	2,147,625	\$0.03449	74,078
Shares issued for settlements of payables	04/12/2024	5,196,200	\$0.02000	103,925
Shares issued for settlements of payables	09/12/2024	55,483	\$0.27040	15,000
Placement	13/12/2024	6,250,000	\$0.02000	125,000
Shares issued to facilitate debt modification	16/07/2024	3,000,000	\$0.07000	210,001
Costs of issue				(660,411)
Balance	31/12/2024	201,341,415		62,544,190
Placement <sup>(1)</sup>	11/08/2025	45,000,000	\$0.01500	675,000
Placement <sup>(1)</sup>	26/09/2025	188,333,333	\$0.01500	2,825,263
Shares issued for settlement of payable	26/09/2025	3,666,667	\$0.01500	55,000
Conversion of 242,000 Convertible notes	30/09/2025	6,050,000	\$0.04000	239,897
Conversion of 156,061 Convertible notes	30/09/2025	6,242,437	\$0.02500	108,668
Conversion of 500,000 Convertible notes	10/10/2025	17,123,288	\$0.02920	350,652
Shares issued for settlement of payable	16/10/2025	384,615	\$0.03940	15,000
Conversion of 250,000 Convertible notes	04/12/2025	10,000,000	\$0.02500	185,609
Conversion of 200,000 Convertible notes	15/12/2025	8,000,000	\$0.02500	41,336
Conversion of 1,400,000 performance rights	29/12/2025	1,400,000	\$0.02200	45,000
Costs of issue				(1,127,874)
Balance	31/12/2025	<u>487,541,755</u>		<u>65,957,741</u>

(1) On 4 August 2025, the Company announced a Placement to issue 233,333,333 shares at an issue price of \$0.015 per share, along with 233,333,334 free attaching listed options on a 1-for-1 basis, exercisable at \$0.04 and expiring on 13 December 2027 and raise \$3.5 million before costs. The first tranche of the Placement was completed on 11 August 2025 with 45,000,000 shares issued and \$0.675 million raised. The second tranche of the Placement was completed on 29 September 2025 upon shareholders' approval in a General Meeting with 188,333,333 shares and 233,333,334 free attaching listed options issued. As part of the Placement, 8,333,334 shares and 8,333,334 free attaching listed options were issued to related parties of the Company which amounted to proceeds of \$125,000.

*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.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

*Share buy-back*

There is no current on-market share buy-back.

*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.

**Note 14. Issued capital (continued)**

Capital is regarded as total equity, as recognised in the consolidated 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 Company'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.

The Consolidated Entity is subject to certain financing arrangements covenants and meeting these is given priority in all capital risk management decisions. There have been no events of default on the financing arrangements during the financial year.

The capital risk management policy remains unchanged from the 2024 Annual Report.

**Note 15. Reserves**

	<b>Consolidated</b>	
	<b>2025</b>	<b>2024</b>
	<b>\$</b>	<b>\$</b>
Foreign currency reserve	888,444	786,336
Share-based payments reserve	2,313,897	1,399,037
	<u>3,202,341</u>	<u>2,185,373</u>

**Foreign currency 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.

**Share-based payments reserve**

The reserve is used to recognise the value of equity benefits provided to employees and directors as part of their remuneration, and other parties as part of their compensation for services.

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**Note 15. Reserves (continued)**

*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>
Balance at 1 January 2024	3,996,181	925,227	4,921,408
Foreign currency translation	-	(138,891)	(138,891)
Share-based payments for key management, non-executive directors and employees	11,715	-	11,715
Convertible note option (note 13)	292,710	-	292,710
Lapsed of options	(3,369,792)	-	(3,369,792)
Broker options (note 30)	468,223	-	468,223
Balance at 31 December 2024	1,399,037	786,336	2,185,373
Foreign currency translation	-	102,108	102,108
Share-based payments for key management, non-executive directors and employees	94,135	-	94,135
Broker options (note 30)	865,725	-	865,725
Conversion of performance rights into shares	(45,000)	-	(45,000)
Balance at 31 December 2025	<u>2,313,897</u>	<u>888,444</u>	<u>3,202,341</u>

**Note 16. Financial instruments**

***Financial risk management objectives***

The Consolidated Entity's activities expose it to a variety of financial risks: market risk (including foreign currency risk and interest rate risk), credit risk and liquidity risk. The Consolidated Entity's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Consolidated Entity. The Consolidated Entity uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate, foreign exchange, ageing analysis for credit risk and cash flow forecasts and budgets to manage the liquidity risk.

Derivatives are not currently used by the Consolidated Entity for hedging purposes. The Consolidated Entity does not speculate in the trading of derivative instruments.

***Market risk***

***Foreign currency risk***

The Consolidated Entity undertakes certain transactions denominated in foreign currency and is exposed to foreign currency risk through foreign exchange rate fluctuations, in particular United States dollars.

Foreign exchange risk arises from future commercial transactions and recognised financial assets and financial liabilities denominated in a currency that is not the entity's functional currency. The risk is measured using sensitivity analysis and cash flow forecasting.

The Consolidated Entity had net liabilities denominated in foreign currencies of US\$696,369 (assets of US\$232,897 less liabilities of US\$929,266) as at 31 December 2025 (2024: US\$862,760 (assets of US\$241,467 less liabilities of US\$1,104,227)). Based on this exposure, had the Australian dollars weakened by 5%/strengthened by 5% (2024: weakened by 5%/strengthened by 5%) against these foreign currencies with all other variables held constant, the Consolidated Entity's profit before tax for the year would have been \$53,990 lower/\$53,990 higher (2024: \$65,329 lower/\$65,329 higher). The percentage change is the expected overall volatility of the significant currencies, which is based on management's assessment of reasonable possible fluctuations taking into consideration movements over the last 12 months each year and the spot rate at each reporting date. The actual foreign exchange loss for the year ended 31 December 2025 was \$4,842 (2024: gain of \$3,591).

**Note 16. Financial instruments (continued)**

*Interest rate risk*

Interest rate risk is the risk that the value of a financial instrument or cash flows associated with the instrument will fluctuate due to changes in market interest rates. Interest rate risk arises from fluctuations in interest bearing financial assets and liabilities that the Consolidated Entity uses. Interest bearing assets comprise cash and cash equivalents which are considered to be short-term liquid assets and investment decisions are governed by the monetary policy.

During the year, the Consolidated Entity had no variable rate interest bearing liability. It is the Consolidated Entity's policy to settle trade payables within the credit terms allowed and therefore not incur interest on overdue balances.

*Liquidity risk*

Liquidity risk is the risk that the Consolidated Entity will not be able to meet its financial obligations as they fall due. The Consolidated Entity's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Consolidated Entity's reputation. The Consolidated Entity's objective is to maintain a balance between continuity of funding and flexibility. The Consolidated Entity's exposure to financial obligations relating to corporate administration and projects expenditure, are subject to budgeting and reporting controls.

*Remaining contractual maturities*

The following tables detail the Consolidated Entity's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the consolidated statement of financial position.

<b>Consolidated - 2025</b>	<b>Weighted average interest rate</b> %	<b>1 year or less</b> \$	<b>Between 1 and 2 years</b> \$	<b>Between 2 and 5 years</b> \$	<b>Over 5 years</b> \$	<b>Remaining contractual maturities</b> \$
<b>Non-derivatives</b>						
<i>Non-interest bearing</i>						
Trade payables	-	1,195,199	-	-	-	1,195,199
Other payables	-	318,405	-	-	-	318,405
<i>Interest-bearing - fixed rate</i>						
Convertible notes facility	-	2,527,963	-	-	-	2,527,963
Hire purchase	7.70%	36,427	-	-	-	36,427
<b>Total non-derivatives</b>		<b>4,077,994</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,077,994</b>
<b>Derivatives</b>						
Embedded derivatives of convertible notes	-	128,101	-	-	-	128,101
<b>Total derivatives</b>		<b>128,101</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>128,101</b>

**Note 16. Financial instruments (continued)**

<b>Consolidated - 2024</b>	<b>Weighted average interest rate %</b>	<b>1 year or less \$</b>	<b>Between 1 and 2 years \$</b>	<b>Between 2 and 5 years \$</b>	<b>Over 5 years \$</b>	<b>Remaining contractual maturities \$</b>
<b>Non-derivatives</b>						
<i>Non-interest bearing</i>						
Trade payables	-	2,074,245	-	-	-	2,074,245
Other payables	-	165,153	-	-	-	165,153
<i>Interest-bearing - fixed rate</i>						
Convertible notes facility	-	2,594,771	-	-	-	2,594,771
Hire purchase	7.70%	53,787	-	-	-	53,787
<b>Total non-derivatives</b>		<b>4,887,956</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,887,956</b>
<b>Derivatives</b>						
Embedded derivatives of convertible notes	-	198,743	-	-	-	198,743
<b>Total derivatives</b>		<b>198,743</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>198,743</b>

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

**Note 17. Fair value measurement**

There are no assets or liabilities held at fair value on a recurring or non-recurring basis.

The carrying amounts of trade and other receivables and trade and other payables are assumed to approximate their fair values due to their short-term nature. The fair value of financial liabilities are estimated by discounting the remaining contractual maturities at the current market interest rate that is available for similar financial liabilities.

Embedded derivatives are measured at fair value in the statement of financial position are grouped into three levels of a fair value hierarchy:

The following tables detail the Consolidated Entity's assets and liabilities, measured or disclosed at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3: Unobservable inputs for the asset or liability

<b>Consolidated - 2025</b>	<b>Level 1 \$</b>	<b>Level 2 \$</b>	<b>Level 3 \$</b>	<b>Total \$</b>
<i>Liabilities</i>				
Embedded derivatives	-	-	128,101	128,101
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>128,101</b>	<b>128,101</b>

There were no transfers between levels during the financial year.

Reconciliation of the fair values at the beginning and end of the current and previous financial year are set out below:

**Note 17. Fair value measurement (continued)**

	Level 3	
	31 December 2025	31 December 2024
	\$	\$
Opening fair value	198,743	-
Addition of embedded derivatives of convertible note	-	17,702
Disposals of investment	(15,820)	-
Fair value (gains)/losses	(54,822)	181,041
	<u>128,101</u>	<u>198,743</u>

*Valuation techniques for fair value measurements categorised within level 3*

Unobservable inputs used in calculating the embedded derivative classified as level 3 were expected future volatility and the risk-free rate. The expected future volatility was calculated at 110% and the risk-free rate used was 3.42%.

*Embedded derivatives of convertible note*

Derivative liability relates to convertible note facility (refer note 13 for further details). The conversion feature on this arrangement has a capped conversion price, the variable price also contains a floor. The existence of these caps and floors, means that this conversion feature is not considered to be an equity instrument in accordance with AASB 132, as it will not result in a fixed number of shares for fixed consideration. This conversion feature is a derivative and as a result changes in fair value are recognised through the profit and loss (FVTPL) in accordance with AASB 9. At initial recognition and subsequent reporting close, the derivative is required to be fair valued. The Black Scholes option pricing model assumes the option holder will exercise at expiry (i.e. the note will be converted on maturity) to predict the Consolidated Entity's possible future share prices to determine the Variable Conversion Price.

*Sensitivity analysis*

The sensitivity analysis undertaken on the unobservable inputs identified no material impact to the valuation at 31 December 2025.

Unobservable inputs used in calculating the embedded derivative classified as level 3 were expected future volatility and the risk-free rate. The expected future volatility was calculated at 110% and the risk-free rate used was 3.75%. There were no transfers between levels during the financial year.

**Note 18. Key management personnel disclosures**

*Compensation*

The aggregate compensation made to directors and other members of key management personnel of the Consolidated Entity is set out below:

	Consolidated	
	2025	2024
	\$	\$
Short-term employee benefits	259,150	249,983
Post-employment benefits	2,400	9,920
Share-based payments	83,260	11,715
	<u>344,810</u>	<u>271,618</u>

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**Note 19. Remuneration of auditors**

During the financial year the following fees were paid or payable for services provided by RSM Australia Partners, the auditor of the Company:

	<b>Consolidated</b>	
	<b>2025</b>	<b>2024</b>
	\$	\$
<i>Audit services - RSM Australia Partners</i>		
Audit or review of the financial statements	83,406	74,267
	<u>83,406</u>	<u>74,267</u>

**Note 20. Contingent liabilities**

As of 31 December 2025, the Company was not party to any material litigation, claims or suit whose outcome could have a material effect on the financial statements (2024: Nil).

**Note 21. Commitments**

The Consolidated Entity had no commitments as at 31 December 2025 and 31 December 2024.

**Note 22. Related party transactions**

*Parent entity*

Imagion Biosystems Limited is the parent entity.

*Subsidiaries*

Interests in subsidiaries are set out in note 24.

*Key management personnel*

Disclosures relating to key management personnel are set out in note 18 and the remuneration report included in the directors' report.

*Transactions with related parties*

	<b>Consolidated</b>	
	<b>2025</b>	<b>2024</b>
	\$	\$
Payment for goods and services:		
Payment to Vistra (Australia) Pty Limited <sup>(1)</sup>	339,067	68,673
Payment to Sibella Capital Pty Ltd <sup>(2)</sup>	170,500	60,500
Payment to Jaclani Pty Ltd <sup>(3)</sup>	16,800	-

(1) Vistra (Australia) Pty Limited provides Resident Director, company secretarial, accounting and legal advisory services and is an entity related to Ms Melanie Leydin.

(2) Sibella Capital Pty Ltd provides consulting services and is an entity related to Mr Brett Mitchell.

(3) Jaclani Pty Ltd is an entity related to Dr Nina Webster. The payments relate to Dr Webster's Director fee.

*Payable to related parties*

The following balances are outstanding at the reporting date in relation to transactions with related parties:

	<b>Consolidated</b>	
	<b>2025</b>	<b>2024</b>
	\$	\$
Current payables:		
Trade payables to Vistra (Australia) Pty Limited	22,649	68,784
Trade payables to Sibella Capital Pty Ltd	11,000	11,000
Jaclani Pty Ltd	5,600	-

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**Note 22. Related party transactions (continued)**

*Loans to/from related parties*

There were no loans to or from related parties at the current and previous reporting date.

*Terms and conditions*

All transactions were made on normal commercial terms and conditions and at market rates.

**Note 23. Parent entity information**

Set out below is the supplementary information about the parent entity.

*Consolidated Statement of Profit or Loss and Other Comprehensive Income*

	Parent	
	2025	2024
	\$	\$
<b>Financial performance</b>		
Loss for the year	(1,770,591)	(948,899)

*Consolidated Statement of Financial Position*

	Parent	
	2025	2024
	\$	\$
<b>Financial position</b>		
Total current assets	1,696,205	2,415,320
Total assets	1,696,205	2,415,320
Total current liabilities	(2,817,680)	(3,310,556)
Total liabilities	(2,817,680)	(3,310,556)
<b>Net liabilities</b>	(1,121,475)	(895,236)
Issued capital	65,957,741	62,544,190
Reserves	2,601,024	1,686,164
Accumulated losses	(69,680,240)	(65,125,590)
<b>Total equity</b>	(1,121,475)	(895,236)

*Guarantees entered into by the parent entity in relation to the debts of its subsidiaries*

The parent entity had no guarantees in relation to the debts of its subsidiaries as at 31 December 2025 and 31 December 2024.

*Contingent liabilities*

The parent entity had no contingent liabilities as at 31 December 2025 and 31 December 2024.

*Commitments*

The parent entity had no commitments as at 31 December 2025 and 31 December 2024.

*Material accounting policy information*

The accounting policies of the parent entity are consistent with those of the Consolidated Entity, as disclosed in note 2, except for the following:

- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.

**Imagion Biosystems Limited**  
**Notes to the financial statements**  
**31 December 2025**

**Note 24. Interests in subsidiaries**

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiary in accordance with the accounting policy described in note 2:

Name	Principal place of business / Country of incorporation	Ownership interest	
		2025 %	2024 %
Imagion Biosystems Inc	United States of America	100.00%	100.00%

**Note 25. Events after the reporting period**

The Company issued a total of 3,048,484 ordinary shares to Mercer Street at a deemed issue price of \$0.025 (2.5 cents) each on 8 January 2026 to convert the remaining 76,212 First Tranche convertible notes. This conversion fully extinguished the carrying amount of the First Tranche convertible notes of \$1,650,000 under the Agreement. Mercer Street holds a balance of 2,750,000 convertible notes with the Company.

On 8 January 2026, the Company announced that it agreed with Mercer Street to amend the terms of Second Tranche convertible notes issued in June 2023 to the following:

- (i) A payment of \$300,000 was made on 13 January 2026 to reduce the remaining balance of the Second Tranche convertible notes to \$558,000.
- (ii) The maturity date on the remaining balance has been extended to 28 February 2026.
- (iii) Any remaining balance not otherwise converted by Mercer Street prior to the new maturity date will be converted by the issuance of shares at the Conversion Price as defined in the Agreement.

On 2 February 2026, the Company announced that it had lodged its Investigational New Drug (IND) application for the MagSense® HER2 Imaging Agent to the U.S. Food and Drug Administration (FDA). IND Submission marked a major milestone in the clinical development of the Company's proprietary MagSense® platform. Phase 2 Clinical Trial enrollment planned to commence following FDA approval.

No other matter or circumstance has arisen since 31 December 2025 that has significantly affected, or may significantly affect the Consolidated Entity's operations, the results of those operations, or the Consolidated Entity's state of affairs in future financial years.

**Note 26. Reconciliation of loss after income tax to net cash used in operating activities**

	Consolidated	
	2025 \$	2024 \$
Loss after income tax expense for the year	(4,309,456)	(2,066,957)
Adjustments for:		
Depreciation and amortisation	8,808	392,053
Share-based payments	94,135	11,715
Fair value (gain) /loss	(54,822)	181,041
Interest charges on convertible notes	843,534	1,098,979
Foreign exchange (gain)/loss	4,842	(3,591)
Gains on modification of convertible notes	-	(1,009,268)
Others	109,969	22,102
Change in operating assets and liabilities:		
(Increase)/decrease in trade and other receivables	(14,920)	72,800
(Decrease)/increase in trade and other payables	(725,794)	30,515
Net cash used in operating activities	<u>(4,043,704)</u>	<u>(1,270,611)</u>

**Imagion Biosystems Limited**  
**Notes to the financial statements**  
**31 December 2025**

**Note 27. Loss per share**

	<b>Consolidated</b>	<b>Consolidated</b>
	<b>2025</b>	<b>2024</b>
	<b>\$</b>	<b>\$</b>
<i>Earnings per share for loss from continuing operations</i>		
Loss after income tax attributable to the owners of Imagion Biosystems Limited	<u>(4,309,456)</u>	<u>(2,066,957)</u>
	<b>Consolidated</b>	<b>Consolidated</b>
	<b>2025</b>	<b>2024</b>
	<b>\$</b>	<b>\$</b>
Loss after income tax attributable to the owners of Imagion Biosystems Limited	<u>(4,309,456)</u>	<u>(2,066,957)</u>
	<b>Number</b>	<b>Number</b>
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>277,470,304</u>	<u>44,947,991</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>277,470,304</u>	<u>44,947,991</u>
	<b>Cents</b>	<b>Cents</b>
Basic loss per share	(1.553)	(4.599)
Diluted loss per share	(1.553)	(4.599)

As at 31 December 2025, the Consolidated Entity has 384,515,849 options on issue (31 December 2024: 118,232,515). These options are considered to be non-dilutive whilst the Consolidated Entity is in a loss position.

**Note 28. Share-based payments**

**Performance rights**

Since listing on the Australian Stock Exchange, the Consolidated Entity has established various incentive arrangements to assist in the attraction, retention and motivation of its employee and management group.

*Key management personnel and directors*

No performance rights were issued to key management personnel or directors in 2025. 975,000 performance rights from Tranche 2 and 1,300,000 performance rights from Tranche 3 issued on 22 August 2024 met the vesting condition. The Company achieved and sustained a market capitalisation of at least \$12.5 million over 20 consecutive trading days.

On 22 August 2024, a total of 3,250,000 performance rights over shares (with expiry date of 22 August 2028) were issued to Mr Robert Proulx, Executive Chairman and Brett Mitchell, Non-executive Director as follows:

- (i) Tranche 1: 975,000 performance rights were granted with a vesting condition that the Company needs to achieve a share price of at least \$0.10 over 20 consecutive trading days;
- (ii) Tranche 2: 975,000 performance rights were granted with a vesting condition that the Company needs to achieve and sustain a market capitalisation of at least \$7.5 million over 20 consecutive trading days; and
- (iii) Tranche 3: 1,300,000 performance rights were granted with a vesting condition that the Company needs to achieve and sustain a market capitalisation of at least \$12.5 million over 20 consecutive trading days.

**Note 28. Share-based payments (continued)**

The fair value of the performance rights was determined using the Monte Carlo Simulation using the following inputs:

	<b>Tranche 1</b>	<b>Tranche 2</b>	<b>Tranche 3</b>
Number of performance rights granted	975,000	975,000	1,300,000
Grant date	22 August 2024	22 August 2024	22 August 2024
Expiry date	22 August 2028	22 August 2028	22 August 2028
Weighted average exercise price (\$)	-	-	-
Weighted average volatility %	97%	97%	97%
Weighted average risk-free rate %	3.534%	3.534%	3.534%
Fair value per performance right \$	0.0370	0.0338	0.0309
Fair value of performance right \$	\$36,075	\$32,955	\$40,170

**Options**

A share option plan has been established by the Consolidated Entity and approved by shareholders at a general meeting, whereby the Consolidated Entity may, at the discretion of the Board, grant options over ordinary shares in the Company to certain key management personnel of the Consolidated Entity. The options are issued for nil consideration and are granted in accordance with performance guidelines established by the Board.

**Key Management Personnel**

On 30 May 2025, 2,000,000 unlisted options with an exercise price of \$0.012 per option and expiring on 29 May 2030 were granted to Mr Robert Proulx, Executive Chairman. The vesting conditions are as follows:

<b>Milestone</b>	<b>Number of options</b>	<b>Vesting conditions</b>
1	400,000	Submission of MagSense@ HER2 IND for Phase 2 study (or equivalent regulatory submission for another jurisdiction)
2	400,000	First patient dosed in a Phase 2 study (not including Phase 1b)
3	1,000,000	Completion of Phase 2 study
4	200,000	Submission of an IND (or like regulatory approval) for a second imaging agent

On 30 May 2025, 2,000,000 unlisted options were granted to Mr Brett Mitchell, Non-Executive Director with exercise price \$0.019 per option, expiring on 29 May 2028. 666,667 options vested immediately at the date of issue, 10 July 2025. The next batch of 666,667 options will vest on 10 July 2026 and the remaining 666,666 options will vest on 10 July 2027.

On 30 May 2025, the Company granted 1,500,000 unlisted options with an exercise price of \$0.012 (12 cents) per option and expiring on 29 May 2030 to Mr Ward Detwiler, who was appointed as President of Imagion Biosystems, Inc on 1 December 2025. The vesting conditions are as follows:

<b>Milestone</b>	<b>Number of options</b>	<b>Vesting conditions</b>
1	300,000	Submission of MagSense@ HER2 IND for Phase 2 study (or equivalent regulatory submission for another jurisdiction)
2	300,000	First patient dosed in a Phase 2 study (not including Phase 1b)
3	750,000	Completion of Phase 2 study
4	150,000	Submission of an IND (or like regulatory approval) for a second imaging agent

**Contractors and Consultants**

On 22 July 2025, the Company granted 300,000 unlisted options with an exercise price of \$0.012 per option and expiring on 29 May 2030 to each of its four contractors and consultants under the Company's Employee Incentive Plan. The vesting conditions are as follows:

<b>Milestone</b>	<b>Number of options</b>	<b>Vesting conditions</b>
1	90,000	Submission of MagSense@ HER2 IND for Phase 2 study (or equivalent regulatory submission for another jurisdiction)
2	210,000	First patient dosed in a Phase 2 study (not including Phase 1b)

**Imagion Biosystems Limited**  
**Notes to the financial statements**  
**31 December 2025**

**Note 28. Share-based payments (continued)**

**Share options**

Set out below are summaries of options granted under the plan:

2025							
Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
01/06/2020	01/05/2026	\$1.12000	68,750	-	-	-	68,750
01/06/2020	01/05/2027	\$1.12000	68,750	-	-	-	68,750
01/06/2020	01/05/2028	\$1.12000	50,000	-	-	-	50,000
14/12/2021	30/11/2030	\$3.49000	100,000	-	-	-	100,000
30/05/2025	29/05/2028	\$0.01900	-	2,000,000	-	-	2,000,000
30/05/2025	29/05/2030	\$0.01200	-	3,500,000	-	-	3,500,000
22/07/2025	29/05/2030	\$0.01200	-	1,200,000	-	-	1,200,000
			287,500	6,700,000	-	-	6,987,500
<i>Weighted average exercise price</i>			\$1.94400	\$0.01400	\$0.00000	\$0.00000	\$0.09400
<i>Number of options exercisable</i>			287,500				6,987,500

During the year ended 31 December 2025, in addition to the above, the following options were issued which were not presented in the summaries of options above:

On 26 September 2025, upon shareholders' approval in a general meeting on 24 September 2025, the Company issued the following options:

- 233,333,334 free attaching listed options, exercisable at \$0.04 and expiring on 13 December 2025, as part of the Placement to the shareholders.
- 26,250,000 Broker options exercisable at \$0.04 and expiring on 21 September 2028, to the Lead Manager in consideration of the services provided. These options were fair valued at \$865,725.

During the year ended 31 December 2025, share-based payment of \$94,135 has been recognised in the statement of profit and loss of the Consolidated Entity.

**Imagion Biosystems Limited**  
**Notes to the financial statements**  
**31 December 2025**

**Note 28. Share-based payments (continued)**

**2024**

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
24/06/2019	24/06/2024	\$1.12000	51,250	-	-	(51,250)	-
01/06/2020	01/05/2026	\$1.12000	81,250	-	-	(12,500)	68,750
01/06/2020	01/05/2027	\$1.12000	81,250	-	-	(12,500)	68,750
01/06/2020	01/05/2028	\$1.12000	50,000	-	-	-	50,000
29/09/2020	30/09/2028	\$3.64000	161,249	-	-	(161,249)	-
09/12/2020	30/11/2026	\$5.60000	25,000	-	-	(25,000)	-
09/12/2020	30/11/2027	\$5.60000	25,000	-	-	(25,000)	-
09/12/2020	30/11/2028	\$5.60000	25,000	-	-	(25,000)	-
07/06/2021	31/05/2029	\$4.60000	5,000	-	-	(5,000)	-
14/12/2021	30/11/2030	\$3.49000	123,959	-	-	(23,959)	100,000
17/02/2022	31/01/2030	\$2.72000	7,292	-	-	(7,292)	-
08/04/2022	31/03/2030	\$2.32000	50,000	-	-	(50,000)	-
26/08/2022	31/07/2030	\$1.68000	17,500	-	-	(17,500)	-
25/10/2022	30/09/2030	\$1.36000	50,000	-	-	(50,000)	-
21/12/2022	30/11/2030	\$1.16000	31,598	-	-	(31,598)	-
04/04/2023	31/03/2031	\$0.76000	62,500	-	-	(62,500)	-
19/04/2023	31/03/2031	\$0.76000	10,000	-	-	(10,000)	-
20/12/2023	20/12/2033	\$0.40000	187,500	-	-	(187,500)	-
			<u>1,045,348</u>	<u>-</u>	<u>-</u>	<u>(757,848)</u>	<u>287,500</u>
<i>Weighted average exercise price</i>			<i>\$2.06400</i>	<i>\$0.00000</i>	<i>\$0.00000</i>	<i>\$2.11000</i>	<i>\$1.94400</i>
<i>Number of options exercisable</i>			<i>850,901</i>				<i>287,500</i>

During the year ended 31 December 2024, in addition to the above, the following options were issued which were not presented in the summaries of options above:

- (i) Options issued to Mercer pursuant to Convertible Securities Agreement executed on 7 March 2023:
  - (a) On 29 May 2024, the Company issued 2,048,122 three-year options for ordinary shares at an exercise price of \$0.11284 to Mercer. These options were fair valued at \$62,889 and recognised in the share-based payments reserve.
  - (b) On 17 September 2024, the Company issued 12,254,902 options with an exercise of \$0.04284 per option (expiring on 17 September 2027) to Mercer. These options were fair valued at \$229,821 and recognised in the share-based payments reserve.
- (ii) On 13 December 2024, upon shareholders' approval in a general meeting on 9 December 2024, the Company issued the following options:
  - (a) 75,000,000 free attaching unlisted options, exercisable at \$0.04 and expiring on three years from the date of issue, as part of the Placement to the shareholders.
  - (b) 3,125,000 free attaching unlisted options, exercisable at \$0.04 and expiring on three years from the date of issue were issued to the directors of the Company, Mr Brett Mitchell and Mr Robert Proulx, as part of the Placement.
  - (c) 22,500,000 Broker options exercisable at \$0.04 and expiring on three years from the date of issue, to the Lead Manager in consideration of the services provided. These options were fair valued at \$468,223.

The weighted average remaining contractual life of options outstanding at the end of the financial year was 3.76 years (2024: 3.51 years).

**Imagion Biosystems Limited**  
**Notes to the financial statements**  
**31 December 2025**

**Note 28. Share-based payments (continued)**

For the options issued to key management personnel, contractors, consultants and broker issued during the current financial year, Black-Scholes option pricing model was used to determine the fair value at the grant date with the following valuation input:

<b>Grant date</b>	<b>Expiry date</b>	<b>Share price at grant date</b>	<b>Exercise price</b>	<b>Expected volatility</b>	<b>Dividend yield</b>	<b>Risk-free interest rate</b>	<b>Fair value at grant date</b>
30/05/2025	29/05/2030	\$0.01300	\$0.01200	112.00%	-	3.54%	\$0.01060
30/05/2025	29/05/2028	\$0.01300	\$0.01900	112.00%	-	3.32%	\$0.00810
22/07/2025	29/05/2030	\$0.01600	\$0.01200	92.00%	-	3.61%	\$0.01214
24/09/2025	21/09/2028	\$0.04900	\$0.04000	101.00%	-	3.50%	\$0.03298

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**Imagion Biosystems Limited**  
**Consolidated Entity disclosure statement**  
**As at 31 December 2025**

<b>Entity name</b>	<b>Entity type</b>	<b>Place formed / Country of incorporation</b>	<b>Ownership interest %</b>	<b>Tax residency</b>
Imagion Biosystems Limited	Body Corporate	Australia	-	Australia
Imagion Biosystems Inc	Body Corporate	United States of America	100.00%	United States of America

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**Imagion Biosystems Limited**  
**Directors' declaration**  
**31 December 2025**

In the directors' opinion:

- the attached financial statements and notes comply with the *Corporations Act 2001*, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 2 to the financial statements;
- the attached financial statements and notes give a true and fair view of the Consolidated Entity's financial position as at 31 December 2025 and of its performance for the financial year ended on that date;
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and
- the information disclosed in the attached Consolidated Entity disclosure statement is true and correct.

The directors have been given the declarations required by section 295A of the *Corporations Act 2001*.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the *Corporations Act 2001*.

On behalf of the directors



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Robert Proux  
Executive Chairman

27 February 2026

**RSM Australia Partners**

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**INDEPENDENT AUDITOR'S REPORT**  
To the Members of Imagion Biosystems Limited

**REPORT ON THE AUDIT OF THE FINANCIAL REPORT**

**Opinion**

We have audited the financial report of Imagion Biosystems Limited (the Company) and its Controlled Entities (the Consolidated Entity), which comprises the consolidated statement of financial position as at 31 December 2025, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information, the consolidated entity disclosure statement and the directors' declaration.

In our opinion the accompanying financial report of Imagion Biosystems Limited is in accordance with the *Corporations Act 2001*, including:

- i. giving a true and fair view of the Consolidated Entity's financial position as at 31 December 2025 and of its financial performance for the year then ended; and
- ii. complying with Australian Accounting Standards and the Corporations Regulations 2001.

**Basis for Opinion**

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Consolidated Entity in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Material Uncertainty Related to Going Concern**

We draw attention to Note 2 in the financial report, which indicates that the Consolidated Entity incurred a net loss of \$4,309,456 and reported net operating cash outflows of \$4,043,704 during the year ended 31 December 2025 and, as of that date, the Consolidated Entity had net current liabilities of \$2,170,405 and net liabilities of \$2,161,917. As stated in Note 2, these events or conditions, along with other matters as set forth in Note 2, indicate that a material uncertainty exists that may cast significant doubt on the Consolidated Entity's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

**THE POWER OF BEING UNDERSTOOD**  
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## Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Material Uncertainty Related to Going Concern section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	How our audit addressed this matter
<b>Accounting for convertible notes</b> Refer to Note 13 in the financial statements	
<p>The Consolidated Entity entered into a convertible note funding facility with Mercer on 7 March 2023 for \$15 million and \$4,250,000 of funds has been drawn down in total from this facility till date.</p> <p>Management has assessed the convertible notes as compound financial instruments under AASB 132 <i>Financial Instruments: Presentation</i>.</p> <p>We considered this area as a area of focus due to the materiality of the amount and due to the complexity of the accounting treatment required under the Australian Accounting Standards.</p>	<p>Our audit procedures included:</p> <ul style="list-style-type: none"> <li>• Reviewing the convertible securities agreement relating to the convertible notes to understand and evaluate the terms and conditions of issue, maturity and conversion;</li> <li>• Evaluating the accounting treatment proposed to determine whether it complies with AASB 132, and verifying that the measurement of the host liability and derivative conversion option are materially accurate;</li> <li>• Recalculating the fair value of the instrument at each draw-down date, and its subsequent measurement at the balance date;</li> <li>• Reviewing the accounting for conversion of the convertible notes to issued capital; and</li> <li>• Assessing the appropriateness of the disclosures in the financial statements.</li> </ul>

## Other Information

The directors are responsible for the other information. The other information comprises the information included in the Consolidated Entity's annual report for the year ended 31 December 2025 but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of:

- a. the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001; and
- b. the consolidated entity disclosure statement that is true and correct in accordance with the *Corporations Act 2001*, and

for such internal control as the directors determine is necessary to enable the preparation of:

- i. the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
- ii. the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Consolidated Entity or to cease operations, or have no realistic alternative but to do so.

## Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: [https://www.auasb.gov.au/admin/file/content102/c3/ar2\\_2020.pdf](https://www.auasb.gov.au/admin/file/content102/c3/ar2_2020.pdf). This description forms part of our auditor's report.

## REPORT ON THE REMUNERATION REPORT

### Opinion on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 31 December 2025.

In our opinion, the Remuneration Report of Imagion Biosystems Limited for the year ended 31 December 2025, complies with section 300A of the *Corporations Act 2001*.

### Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.



**RSM AUSTRALIA PARTNERS**



**B Y CHAN**

Date: 27 February 2026  
Melbourne, Victoria

**Corporate Governance Statement**

The Company's Directors and management are committed to conducting the business of the Group in an ethical manner and in accordance with the highest standards of corporate governance. The Company has adopted, and complies with, the ASX *Corporate Governance Principles and Recommendations* (Fourth Edition) (**Recommendations**) to the extent appropriate to the size and nature of the Group's operations.

The Company has prepared a statement which sets out the corporate governance practices that were in operation throughout the financial year for the Company, identifies any Recommendations that have not been followed, and provides reasons for not following such Recommendations (**Corporate Governance Statement**).

In accordance with ASX Listing Rules 4.10.3 and 4.7.4, the Corporate Governance Statement will be available for review on the Company's website ([www.imagionbiosystems.com](http://www.imagionbiosystems.com)), and will be lodged together with an Appendix 4G with the Australian Securities Exchange (ASX) at the same time that this Annual Report is lodged with the ASX.

The Appendix 4G will particularise each Recommendation that needs to be reported against by the Company and will provide shareholders with information as to where relevant governance disclosures can be found. The Company's corporate governance policies and charters are all available on the Company's website ([www.imagionbiosystems.com](http://www.imagionbiosystems.com)).

**Additional Securities Information**

In accordance with ASX Listing Rule 4.10, the Company provides the following information which was extracted from the Company's records as at 26 February 2025. Imagion Biosystems Ltd's ordinary shares and one class of options, expiring 13 December 2027, are quoted on the ASX under the ticker code IBX and IBXO respectively. At the closing of trading on 26 February 2026, the Company's share price was \$0.026 and the listed options price was \$0.009. The Company's securities are not quoted on any other stock exchange. There is currently no on-market buy-back of IBX ordinary shares or quoted options.

The shareholder information set out below was applicable as at 26 February 2026.

***Distribution of equitable securities***

Analysis of number of equitable security holders by size of holding:

	<b>Number of holders of ordinary shares</b>	<b>Number of ordinary shares</b>	<b>% of ordinary shares</b>	<b>Number of holders of quoted IBXO options</b>	<b>Number of quoted IBXO options</b>	<b>% of quoted IBXO options</b>
1 - 1,000	4,262	1,549,966	0.32	0	0	0.00
1,001 - 5,000	1,704	3,966,259	0.81	0	0	0.00
5,001 - 10,000	319	2,322,745	0.47	0	0	0.00
10,001 - 100,000	1,122	41,883,976	8.54	29	1,901,339	0.57
100,001 - and over	589	440,867,293	89.86	209	328,931,995	99.43
	<b>7,996</b>	<b>490,590,239</b>	<b>100.00</b>	<b>238</b>	<b>330,833,334</b>	<b>100.00</b>
Holding less than a marketable parcel	6,625	12,539,057	2.56			

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	<b>Number of holders of unlisted options</b>	<b>Number of unlisted options</b>	<b>% of unlisted options</b>	<b>Number of holders of performance rights</b>	<b>Number of performance rights</b>	<b>% of performance rights</b>
1 – 1,000	0	0	0.00	0	0	-
1,001 - 5,000	0	0	0.00	0	0	-
5,001 - 10,000	6	37,500	0.07	0	0	-
10,001 - 100,000	10	423,653	0.79	0	0	-
100,001 - and over	26	53,221,362	99.14	7	1,850,000	100.00
	<b>42</b>	<b>53,682,515</b>	<b>100.00</b>	<b>7</b>	<b>1,850,000</b>	<b>100.00</b>

Holding less than a marketable parcel

	-	-	-	-	-	-
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	<b>Number of holders of Convertible Notes</b>	<b>Number of Convertible Notes</b>	<b>% of Convertible Notes</b>
1 - 1,000	0	0	0.00
1,001 - 5,000	0	0	0.00
5,001 - 10,000	0	0	0.00
10,001 - 100,000	0	0	0.00
100,001 - and over	1	2,750,000	100.00
	<b>1</b>	<b>2,750,000</b>	<b>100.00</b>

Holding less than a marketable parcel

	-	-	-
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**Twenty largest quoted equity security holders**

The names of the twenty largest security holders of quoted equity securities are listed below:

	<b>Ordinary shares</b>	
	<b>Number held</b>	<b>% of total Shares issued</b>
IRH PTY LTD	12,020,329	2.450%
MR ANDREW JONES	12,000,000	2.446%
BNP PARIBAS NOMINEES PTY LTD <HUB24 CUSTODIAL SERV LTD>	11,997,378	2.445%
CELTIC FINANCE CORP PTY LTD	10,400,000	2.120%
MR LAKHWINDER SINGH	10,215,248	2.082%
MR ROBERT FARAH	10,000,000	2.038%
CITICORP NOMINEES PTY LIMITED	9,762,898	1.990%
BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT>	8,521,306	1.737%
MR SENHAO MIAO	7,450,000	1.519%
ZERRIN INVESTMENTS PTY LTD	6,000,000	1.223%
MR BRETT MITCHELL & MRS MICHELLE MITCHELL <LEFTHANDERS SUPER FUND A/C>	5,937,575	1.210%
SCINTILLA STRATEGIC INVESTMENTS LIMITED	5,333,334	1.087%
MR HYUNGJAE PARK	5,100,000	1.040%
KEVREX PTY LTD <KEVREX INVESTMENT A/C>	4,522,494	0.922%
MR ROBERT PROULX	4,470,749	0.911%
LONGREACH 52 PTY LTD	4,042,521	0.824%
MR MARCUS ANTONIUS HENDRIKUS KENNIS & MR STUART DEAN ROBERTS <SWEET FREEDOM A/C>	3,666,667	0.747%
EXIT OUT PTY LTD <THE DISCRETIONARY A/C>	3,666,666	0.747%
MRS SHARON LEWIS	3,550,000	0.724%
NYSHA INVESTMENTS PTY LTD <SANGHAVI FAMILY A/C>	3,458,378	0.705%
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	142,115,543	28.968%
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	<b>IBXO Options over ordinary shares</b>	
	<b>Number held</b>	<b>% of total IBXO Options issued</b>
MR GEORGE PEOU	16,000,000	4.836%
CELTIC FINANCE CORP PTY LTD	15,666,667	4.736%
BERNE NO 132 NOMINEES PTY LTD <791994 A/C>	12,666,667	3.829%
BNP PARIBAS NOMINEES PTY LTD <HUB24 CUSTODIAL SERV LTD>	8,053,400	2.434%
MR ALISTER SCHULZ	7,080,000	2.140%
MR JOSEPH LACHLAN CAMPBELL	7,000,000	2.116%
JAMBER INVESTMENTS PTY LTD <THE AMBER SCHWARZ FAM A/C>	6,666,667	2.015%
AUKERA CAPITAL PTY LTD <AUKERA DISCRETIONARY A/C>	6,192,857	1.872%
MS SIHOL MARITO GULTOM	5,842,296	1.766%
KEVREX PTY LTD <KEVREX INVESTMENT A/C>	5,666,667	1.713%
SCINTILLA STRATEGIC INVESTMENTS LIMITED	5,333,334	1.612%
IRH PTY LTD	5,333,334	1.612%
BRIANT NOMINEES PTY LTD <BRIANT SUPER FUND A/C>	5,333,333	1.612%
PSANDKA PTY LTD	5,000,000	1.511%
NYSHA INVESTMENTS PTY LTD <SANGHAVI FAMILY A/C>	4,333,334	1.310%
BYTHORNE CONTRACTING PTY LTD	4,150,882	1.255%
LONGREACH 52 PTY LTD	4,071,200	1.231%
KENDALI PTY LTD	4,071,200	1.231%
EXIT OUT PTY LTD <THE DISCRETIONARY A/C>	3,666,666	1.108%
NETWEALTH INVESTMENTS LIMITED <WRAP SERVICES A/C>	3,583,333	1.083%
	135,711,837	41.021%

**Unquoted equity securities**

	<b>Number on issue</b>	<b>Number of holders</b>
Options over ordinary shares issued	53,682,515	42
Performance rights over ordinary shares issued	1,850,000	7
Convertible notes	2,750,000	1

**Substantial holders**

There were no substantial holders of shares in the Company as at 26 February 2026.

**Escrowed Securities**

There are no escrowed securities in the Company as at 26 February 2026.

*\*Indicative relevant interest in shares based on number of voting securities recorded as at the date of their last substantial shareholder notice lodged with ASX.*

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**Voting rights**

The voting rights attached to ordinary shares are set out below:

**Ordinary shares**

All issued shares carry voting rights on a one-for-one basis.

**Quoted IBXO Options**

There are no voting rights attached to the quoted IBXO options.

**Unquoted Options**

There are no voting rights attached to the unquoted options.

**Performance Rights**

There are no voting rights attached to the performance rights.

**Convertible Notes**

There are no voting rights attached to the performance rights.

There are no other classes of equity securities.

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