Imagion Biosystems Limited
Appendix 4D
Half-year report

1. Company details

Name of entity:	Imagion Biosystems Limited
ABN:	42 616 305 027
Reporting period:	For the half-year ended 30 June 2026
Previous period:	For the half-year ended 30 June 2025

2. Results for announcement to the market

				$
Loss from ordinary activities after tax attributable to the owners of Imagion Biosystems Limited	up	19.2%	to	(1,981,169)
Loss for the half-year attributable to the owners of Imagion Biosystems Limited	up	19.2%	to	(1,981,169)

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 $1,981,169 (30 June 2025: $1,661,455).

Refer to the “Review of Operations” section of the Directors’ Report for further commentary.

3. Net tangible assets

	30 June 2026 Cents	31 December 2025 Cents
Net tangible assets per ordinary security	(0.63)	(0.44)

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 were subject to review by the auditors and the auditor's review report includes following material uncertainty related to going concern paragraph:

Material Uncertainty Related to Going Concern
We draw attention to note 2 in the half-year financial report, which indicates the Consolidated Entity incurred a loss of $1,981,169 and had net cash outflows from operating activities of $1,786,160 for the half-year ended 30 June 2026 and, as of that date, the Consolidated Entity had net current liabilities of $3,425,510 and net liabilities of $3,419,291. As stated in note 2, these 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 conclusion is not modified in respect of this matter.

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11. Attachments

Details of attachments (if any):

The Interim Report of Imagion Biosystems Limited for the half-year ended 30 June 2026 is attached.

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12. Signed

Signed ____________________________ Date: 24 August 2026

Robert Proulx
Executive Chairman

Imagion Biosystems Limited

ABN 42 616 305 027

Interim Report - 30 June 2026

Imagion Biosystems Limited
Contents
30 June 2026

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 8, 210 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
Directors' report
30 June 2026

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 half-year ended 30 June 2026.

Directors
The following persons were directors of Imagion Biosystems Limited during the whole of the financial half-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)

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.

Review of operations
The loss for the Consolidated Entity after providing for income tax amounted to $1,981,169 (30 June 2025: $1,661,455).

During the period, the Consolidated Entity continued to focus on the development of the MagSense® imaging agent candidate for HER2 breast cancer. Imagion has delivered a series of key clinical and regulatory milestones in advancing the program towards the Phase 2 clinical trial. Highlights include the successful opening of an of Investigational New Drug (IND) application for the MagSense® HER2 Imaging Agent with U.S. Food and Drug (FDA), receiving approval to proceed with the Phase 2 protocol from the U.S. FDA and preparations towards initiation of the clinical trial of the imaging agent.

Research and Development
In February 2026, the Consolidated Entity initiated the IND application process with the FDA for the MagSense® HER2 Imaging Agent. The Consolidated Entity successfully responded to various inquiries and requests from the agency and in June 2026, the Consolidated Entity received a written response from the FDA indicating that the proposed Phase 1b/2 study could proceed along with the opening of the IND application to support the planned clinical development program.

In April 2026, the Consolidated Entity appointed Dr. Eghtedari as the study's principal investigator (PI). Dr. Eghtedari is Section Chief, Women's Imaging in the Department of Diagnostic Radiology at City of Hope hospital in Los Angeles California, with core expertise to support the clinical trial. Following on in May 2026 the Consolidated Entity collaborated with researchers at Case Western Reserve University to submit a grant application under the U.S. federal Bioengineering Partnerships with Industry program entitled "Novel Iron-Based Nanoparticle for Advanced Detection and Characterization of Prostate Cancer on MRI". If successful, the program would provide non-dilutive capital to advance key preclinical studies of the MagSense® technology in prostate cancer.

Outlook
The Consolidated Entity continues to progress clinical trial start-up activities and expects to initiate the clinical trial Part A as early as September 2026, pending administrative requirements of ethics submissions, completing site contracts and training. The Consolidated Entity anticipates reporting results of Part A in Q1 2027, subject to recruitment.

Expenditures for the prostate cancer and ovarian cancer programs will remain limited based on the availability of funds.

Significant changes in the state of affairs
The Company issued a total of 3,048,484 ordinary shares to Mercer Street Global Opportunity Fund, LLC (Mercer Street) at a deemed issue price of $0.025 (2.5 cents) each on 8 January 2026 to convert 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 Convertible Securities Agreement (Agreement). The terms of the Agreement are disclosed in note 5.

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.

On 8 April 2026, the Company announced that US-based C/M Capital Partners, LP with C/M Capital Master Fund, LP (CMF) would provide an additional funding facility of $300,000 in accordance with Mercer Street Convertible Securities Agreement (Agreement) following the partial novation of the Agreement to CMF, an affiliated fund of Mercer Street. Additionally, the Company and Mercer Street have agreed to amend the terms of the Agreement as follows:

(i) The maturity date of notes that were due for repayment before 8 April 2026 are now extended to 31 December 2026.
(ii) Any new notes issued will have a maturity date of 18 months from the date of issue and a floor price of $0.025 (2.5 cents).

On 23 April 2026, the Company issued 330,000 convertible notes to CMF with a face value of $1.00 per Note at a discounted subscription price of $0.90909 and raised $300,000 before costs. The Company also issued 10,600,177 options with an exercise price of $0.0297 per option to CMF, with expiry on 23 April 2029.

On 2 June 2026, the Company announced that it has received IND clearance for MagSense® HER2 Imaging Agent from the U.S. FDA. Phase 1b/2 clinical trial in HER2+ breast cancer patients is allowed to proceed.

On 25 June 2026, the Company announced a Placement to issue 312,500,000 shares at an issue price of $0.012 (12 cents) per share, along with 156,250,000 free attaching listed options on a 1-for-2 basis, exercisable at $0.04 and expiring on 13 December 2027, and raise $3.75 million before costs. Tranche 1 of the Placement was completed on 30 June 2026 with 49,346,051 shares issued. $592,153 (before costs) was raised during the first tranche of the Placement. Funds were received on 1 July 2026. The issue of the balance of shares in the second tranche of the Placement, representing a value of approximately $3.2 million, is conditional upon the Company obtaining shareholder approval at an EGM. The issue of the free attaching listed options attributable to both tranches are subject to shareholders' approval at the EGM.

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

Matters subsequent to the end of the financial half-year
Subsequent to the period end, on 1 July 2026 the Company raised $592,153 (before costs) towards Tranche-1 49,346,051 shares placement competed on 30 June 2026.

Based on shareholders' approval at the Extraordinary General Meeting held on 10 August 2026:
· The Company, on 18 August 2026, completed placement of 261,070,618 Tranche-2 shares raising $3,132,847 (before costs); and
· Issued to the placement participants 152,500,023 free-attaching listed options with an exercise price of $0.002 per option expiring on 13 December 2027.

On 28 July 2026, the Company has entered into a loan agreement (Loan or Agreement) with Mr Robert Proulx, its Executive Chairman for a loan facility of US$150,000 at an interest rate of 8% per annum. The purpose of the loan is to support its working capital requirements of the Company. The drawn down balance is repayable within four months after the date of any advance of funds. Subject to any required shareholder approvals or regulatory approvals, there is an option in the Agreement to settle the loan and accrued interest through conversion into fully paid ordinary shares in the Company.

No other matter or circumstance has arisen since 30 June 2026 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.

Rounding of amounts

The Group is of a kind referred to in Corporations Instrument 2026/183, 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.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out immediately after this directors' report.

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

On behalf of the directors

Robert Proulx
Executive Chairman

24 August 2026

RSM Australia Partners

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AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the financial report of Imagion Biosystems Limited and its Controlled Entity for the half year ended 30 June 2026, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and

(ii) any applicable code of professional conduct in relation to the review.

RSM AUSTRALIA PARTNERS

A L WHITTINGHAM
Partner

Dated: 24 August 2026
Melbourne, Victoria

Imagion Biosystems Limited
Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the half-year ended 30 June 2026

	Note	Consolidated 30 June 2026 $	Consolidated 30 June 2025 $
Revenue			
Revenue and other income	4	525,934	25,734
Expenses			
Research & development expenses		(1,589,664)	(611,595)
Professional fees		(455,560)	(317,903)
General expenses		(108,003)	(117,527)
Employee benefits expense		(111,279)	(104,375)
Depreciation and amortisation expense		(2,005)	(4,443)
Fair value movement of derivatives		130,495	168,152
Share-based payments expense		(2,366)	(21,505)
Finance costs		(368,721)	(677,993)
Loss before income tax expense		(1,981,169)	(1,661,455)
Income tax expense		-	-
Loss after income tax expense for the half-year attributable to the owners of Imagion Biosystems Limited		(1,981,169)	(1,661,455)
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation		13,445	57,136
Other comprehensive income for the half-year, net of tax		13,445	57,136
Total comprehensive income for the half-year attributable to the owners of Imagion Biosystems Limited		(1,967,724)	(1,604,319)
		Cents	**Cents**
Basic loss per share	11	(0.40)	(0.83)
Diluted loss per share	11	(0.40)	(0.83)

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 30 June 2026

	Note	Consolidated 30 June 2026 $	31 December 2025 $
Assets			
Current assets			
Cash and cash equivalents		32,456	1,847,668
Trade and other receivables		565,722	15,806
Other current assets		67,528	172,216
Total current assets		665,706	2,035,690
Non-current assets			
Plant and equipment		6,219	8,488
Total non-current assets		6,219	8,488
Total assets		671,925	2,044,178
Liabilities			
Current liabilities			
Trade and other payables		1,900,379	1,513,604
Lease liabilities		-	36,427
Convertible notes and derivative financial instruments	5	2,190,837	2,656,064
Total current liabilities		4,091,216	4,206,095
Total liabilities		4,091,216	4,206,095
Net liabilities		(3,419,291)	(2,161,917)
Equity			
Issued capital	6	66,582,110	65,957,741
Reserves	7	2,895,305	3,202,341
Accumulated losses		(72,896,706)	(71,321,999)
Total equity		(3,419,291)	(2,161,917)

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 half-year ended 30 June 2026

Consolidated	Issued capital $	Reserves $	Accumulated losses $	Total equity $
Balance at 1 January 2025	62,544,190	2,185,373	(67,012,543)	(2,282,980)
Loss after income tax expense for the half-year	-	-	(1,661,455)	(1,661,455)
Other comprehensive income for the half-year, net of tax	-	57,136	-	57,136
Total comprehensive income for the half-year	-	57,136	(1,661,455)	(1,604,319)
Transactions with owners in their capacity as owners:				
Share-based payments (note 12)	-	21,505	-	21,505
Balance at 30 June 2025	62,544,190	2,264,014	(68,673,998)	(3,865,794)

Consolidated	Issued capital $	Reserves $	Accumulated losses $	Total equity $
Balance at 1 January 2026	65,957,741	3,202,341	(71,321,999)	(2,161,917)
Loss after income tax expense for the half-year	-	-	(1,981,169)	(1,981,169)
Other comprehensive income for the half-year, net of tax	-	13,445	-	13,445
Total comprehensive income for the half-year	-	13,445	(1,981,169)	(1,967,724)
Transactions with owners in their capacity as owners:				
Shares issued as part of Placement (note 6)	592,153	-	-	592,153
Costs of issue (note 6)	(43,996)	-	-	(43,996)
Shares issued for conversion of convertible notes (note 6)	76,212	-	-	76,212
Share-based payments (note 12)	-	2,366	-	2,366
Value of options issued to Mercer	-	83,615	-	83,615
Reallocation of value of expired and cancelled options	-	(406,462)	406,462	-
Balance at 30 June 2026	66,582,110	2,895,305	(72,896,706)	(3,419,291)

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

	Consolidated	
	30 June 2026	30 June 2025
	$	$
Cash flows from operating activities		
Payments to suppliers and employees (inclusive of GST)	(1,787,197)	(1,799,331)
Interest received	1,037	25,734
Interest and other finance costs paid	-	(3,683)
Net cash used in operating activities	(1,786,160)	(1,777,280)
Cash flows from financing activities		
Proceeds from the issue of convertible notes	300,000	-
Transaction costs in relation to issue of convertible notes	(15,500)	-
Repayment of convertible notes	(300,000)	-
Net cash used in financing activities	(15,500)	-
Net decrease in cash and cash equivalents	(1,801,660)	(1,777,280)
Cash and cash equivalents at the beginning of the financial half-year	1,847,668	2,670,517
Effects of exchange rate changes on cash and cash equivalents	(13,552)	(9,672)
Cash and cash equivalents at the end of the financial half-year	32,456	883,565

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

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 half-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 24 August 2026.

Note 2. Material accounting policy information

These general purpose financial statements for the interim half-year reporting period ended 30 June 2026 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 31 December 2025 and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, 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.

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 $1,981,169 (30 June 2025: $1,661,455), and had net cash outflows from operating activities of $1,786,160 (30 June 2025: $1,777,280) for the half-year ended 30 June 2026 and, as of that date, the Consolidated Entity had net current liabilities of $3,425,510 and net liabilities of $3,419,291.

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 5, 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 the Consolidated Entity having sufficient placement capacity.
- On 25 June 2026, the Company announced a Placement to issue 312,500,000 shares to raise $3.75 million before costs. Subsequent to period end, on 1 July 2026, the Company raised $592,153 (before costs) under Tranche 1 placement. $3,132,847 (before costs) was raised during the second tranche of the Placement upon shareholders' approval at the Extraordinary General Meeting held on 10 August 2026.
- The Consolidated Entity has a proven record of being able to raise funds to support its ongoing activities.
- A significant portion of the forecast expenditure relates to research and development and clinical trial activities. The Directors note that the timing and progression of certain development activities can be managed having regard to the consolidated entity's funding position and operational priorities, providing a degree of flexibility in managing forecast cash outflows.

With these mitigating factors considered, the directors believe that the Consolidated Entity will be able to meets 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.

Note 3. 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 and other income in two geographical areas as outlined below:

Consolidated - 30 June 2026	United States of America $	Australia $	Total $
Revenue			
Revenue and other income	-	525,934	525,934
Total revenue	-	525,934	525,934
Non-current assets			
Property, plant and equipment	6,219	-	6,219

Consolidated - 30 June 2025	United States of America $	Australia $	Total $
Revenue			
Revenue and other income	-	25,734	25,734
Total revenue	-	25,734	25,734
Consolidated - 31 December 2025			
Non-current assets			
Property, plant and equipment	8,487	-	8,487

Note 4. Revenue and other income

	Consolidated	
	30 June 2026	30 June 2025
	$	$
Other revenue:		
Interest income	1,037	25,734
Gain on modification of debt	524,897	-
	525,934	25,734

Note 5. Convertible notes and derivative financial instruments

	Consolidated	
	30 June 2026	31 December 2025
	$	$
Current liabilities		
Convertible notes payable	2,160,348	2,527,963
Embedded derivatives	30,489	128,101
	2,190,837	2,656,064

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) with the following convertible notes issued in 2023 and 2024:

(i) In 2023 financial year, the Company raised $3,500,000 through the issue of 3,850,000 convertible notes ("2023 Notes") as below:

- Tranche-1: 1,650,000 convertible notes
- Tranche-2: 1,100,000 convertible notes
- Tranche-3: 1,100,000 convertible notes

(ii) In 2024 financial year, the Company issued the following convertible notes:

- Tranche-4: 242,000 convertible notes, 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 noteholders, with expiry on 29 May 2027.
- Tranche-5: 550,000 convertible 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 issued 12,254,902 options with an exercise price of $0.04284 per option to the noteholders, and expiring on 19 September 2027.

During the half-year ended 30 June 2026:

- Tranche-1: Out of 1,650,000 convertible notes issued, the Company in prior years had converted 1,573,788 notes to ordinary shares. On 8 January 2026, the Company completed the conversion of remainder of 76,212 notes to ordinary shares.
- Tranche-2: Out of 1,100,000 convertible notes issued, in 2025 financial year, the Company had converted 242,000 notes to ordinary shares. On 13 January 2026, the Company repaid $300,000 to Mercer to reduce the remaining balance of the tranche-2 notes to 558,000.
- Tranche -6: On 23 April 2026, the Company issued 330,000 notes with a face value of $1.00 per 2026 note and at a discounted subscription price of $0.90909 to raise $300,000 before costs. The Company also granted and issued 10,600,177 options with an exercise price of $0.0297 per option to the noteholders, with expiry on 23 April 2029.

Note 5. Convertible notes and derivative financial instruments (continued)

As at 30 June 2026, 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 the Consolidated Entity having sufficient placement capacity 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.

The Company executed deed of variations ('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') in 2024, 2025 and during the half year ended 30 June 2026, with effect of the following the variations to the Convertible Securities Agreement:

Matter	**Particulars**
Floor Price	In 2024, variation to the Floor Price to $0.04 and further, in 2025, a variation to the Floor price to $0.025, 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	The following maturity dates are applicable to remainder of Tranches as at 30 June 2026: (a) Tranche 2: Maturity date extended to 31 December 2026 (b) Tranche 3: Maturity date extended to 31 December 2026 (c) Tranche 4: the Maturity Date is changed to 30 months from the date of issue with due date on 30 November 2026 (d) Tranche 5: Maturity date extended to 31 December 2026 (e) Tranche 6: Maturity date of 18 months from the date of issue Any new notes issued will have a maturity date of 18 months from the date of issue and a floor price of $0.025

The variations of the Floor price in 2026 were treated as modification under AASB 9 and the gain on modification was $524,897 and interest charged in the period was $364,098.

Note 5. Convertible notes and derivative financial instruments (continued)

Valuation methodology applied in valuing Convertible Notes
Upon issue of the Notes, the Group valued the Convertible Notes using the Geometric Brownian Motion model to determine the value of the embedded derivative. The Geometric Brownian Motion 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.

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 6. Issued capital

	Consolidated			
	30 June 2026 Shares	31 December 2025 Shares	30 June 2026 $	31 December 2025 $
Ordinary shares - fully paid	539,936,290	487,541,755	66,582,110	65,957,741

Movements in ordinary share capital

Details	Date	Shares	Issue price	$
Balance	1 January 2026	487,541,755		65,957,741
Conversion of 76,212 Convertible notes	8 January 2026	3,048,484	$0.025	76,212
Placement(1)	30 June 2026	49,346,051	$0.012	592,153
Costs of issue				(43,996)
Balance	30 June 2026	539,936,290		66,582,110

(1) On 25 June 2026, the Company announced a Placement to issue 312,500,000 shares at an issue price of $0.012 (12 cents) per share to raise $3.75 million before costs. Along with this, the Company will also be issuing 156,250,000 free attaching listed options on a 1-for-2 basis, exercisable at $0.04 and expiring on 13 December 2027. Tranche 1 of the above Placement was completed on 30 June 2026 with 49,346,051 shares issued. $592,153 (before costs) was raised during the first tranche of the Placement. Funds were received on 1 July 2026.

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.

Note 7. Reserves

	Consolidated 30 June 2026 $	31 December 2025 $
Foreign currency reserve	901,889	888,444
Share-based payments reserve	1,993,416	2,313,897
	2,895,305	3,202,341

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.

Movements in reserves
Movements in each class of reserve during the current financial half-year are set out below:

Consolidated	**Share based payment reserve $**	**Foreign currency reserve $**	**Total $**
Balance at 1 January 2026	2,313,897	888,444	3,202,341
Foreign currency translation	-	13,445	13,445
Share-based payments for key management, non-executive directors and employees	2,366	-	2,366
Convertible note option (note 5)	83,615	-	83,615
Lapsed of options	(406,462)	-	(406,462)
Balance at 30 June 2026	1,993,416	901,889	2,895,305

Note 8. Fair value measurement

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:

Note 8. Fair value measurement (continued)

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

Consolidated - 30 June 2026	Level 1 $	Level 2 $	Level 3 $	Total $
Liabilities				
Embedded derivatives	-	-	30,489	30,489
Total liabilities	-	-	30,489	30,489

Consolidated - 31 December 2025	Level 1 $	Level 2 $	Level 3 $	Total $
Liabilities				
Embedded derivatives	-	-	128,101	128,101
Total liabilities	-	-	128,101	128,101

There were no transfers between levels during the financial half-year.

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

	Level 3	
	30 June 2026 $	31 December 2025 $
Opening fair value	128,101	198,743
Addition of embedded derivatives of convertible note	32,899	-
Disposals of investment	(16)	(15,820)
Fair value gains	(130,495)	(54,822)
	30,489	128,101

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 4.69%.

Embedded derivatives of convertible note
Derivative liability relates to convertible note facility (refer note 5 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 Geometric Brownian Motion 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 30 June 2026.

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 4.69%. There were no transfers between levels during the financial period.

Note 9. Contingent liabilities

As of 30 June 2026, the Company was not party to any material litigation, claims or suit whose outcome could have a material effect on the financial statements (31 December 2025: Nil).

Note 10. Events after the reporting period

Subsequent to the period end, on 1 July 2026 the Company raised $592,153 (before costs) towards Tranche-1 49,346,051 shares placement competed on 30 June 2026.

Based on shareholders' approval at the Extraordinary General Meeting held on 10 August 2026:
· The Company, on 18 August 2026, completed placement of 261,070,618 Tranche-2 shares raising $3,132,847 (before costs); and
· Issued to the placement participants 152,500,023 free-attaching listed options with an exercise price of $0.002 per option expiring on 13 December 2027.

On 28 July 2026, the Company has entered into a loan agreement (Loan or Agreement) with Mr Robert Proulx, its Executive Chairman for a loan facility of US$150,000 at an interest rate of 8% per annum. The purpose of the loan is to support its working capital requirements of the Company. The drawn down balance is repayable within four months after the date of any advance of funds. Subject to any required shareholder approvals or regulatory approvals, there is an option in the Agreement to settle the loan and accrued interest through conversion into fully paid ordinary shares in the Company.

No other matter or circumstance has arisen since 30 June 2026 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 11. Loss per share

	Consolidated	
	30 June 2026	**30 June 2025**
	$	**$**
Earnings per share for loss from continuing operations		
Loss after income tax attributable to the owners of Imagion Biosystems Limited	(1,981,169)	(1,661,455)

	Consolidated	
	30 June 2026	**30 June 2025**
	$	**$**
Loss after income tax attributable to the owners of Imagion Biosystems Limited	(1,981,169)	(1,661,455)
	Number	**Number**
Weighted average number of ordinary shares used in calculating basic earnings per share	490,471,687	201,341,415
Weighted average number of ordinary shares used in calculating diluted earnings per share	490,471,687	201,341,415
	Cents	**Cents**
Basic loss per share	(0.40)	(0.83)
Diluted loss per share	(0.40)	(0.83)

As at 30 June 2026, the Consolidated Entity has 393,291,657 options on issue. These options are considered to be non-dilutive whilst the Consolidated Entity is in a loss position.

Note 12. Share-based payments

A share option plan has been established by the Consolidated Entity, whereby the Consolidated Entity may grant options and performance rights over ordinary shares in the Company to certain directors, key management personnel, employees and consultants of the Consolidated Entity. The options and performance rights are issued for nil consideration.

Note 12. Share-based payments (continued)

Share-based payments expense during the half-year ended 30 June 2026 is $2,366 (30 June 2025: $21,505). This relates to vesting charge on options and performance rights issued to directors, key management personnel, employees and consultants of the Company.

Types of share-based payment plans

Employee Share Option Plan, 'ESOP'

A Long-Term Incentive Plan has been established and approved by shareholders where the Company may, at the discretion of the Board, grant options over the ordinary shares of the Company to directors, key management personnel, employees and consultants of the Consolidated Entity. The options are issued for nil consideration and are granted in accordance with performance guidelines established by the Board.

Set out below are summaries of options granted:

30 June 2026

Grant date	Expiry date	Exercise price	Balance at the start of the half-year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the half-year
01/06/2020	01/05/2026	$1.120	68,750	-	-	(68,750)	-
01/06/2020	01/05/2027	$1.120	68,750	-	-	-	68,750
01/06/2020	01/05/2028	$1.120	50,000	-	-	-	50,000
14/12/2021	30/11/2030	$3.490	100,000	-	-	-	100,000
25/07/2022	28/02/2028	$1.680	21,775	-	-	-	21,775
23/09/2023	28/02/2029	$0.640	75,000	-	-	-	75,000
09/12/2024	13/12/2027	$0.040	75,000,000	-	-	-	75,000,000
09/12/2024	13/12/2027	$0.040	3,125,000	-	-	-	3,125,000
09/12/2024	13/12/2027	$0.040	22,500,000	-	-	-	22,500,000
30/05/2025	29/05/2028	$0.019	2,000,000	-	-	-	2,000,000
30/05/2025	29/05/2030	$0.012	3,500,000	-	-	-	3,500,000
22/07/2025	29/05/2030	$0.012	1,200,000	-	-	-	1,200,000
24/09/2025	21/09/2028	$0.040	26,250,000	-	-	-	26,250,000
24/09/2025	13/12/2027	$0.040	233,333,334	-	-	-	233,333,334
			367,292,609	-	-	(68,750)	367,223,859
Weighted average exercise price			$0.041	$0.000	$0.000	$1.120	$0.041

$32,294 was recognised in the Consolidated Statement of Changes in Equity during the half-year ended 30 June 2026 for the 68,750 expired options.

Note 12. Share-based payments (continued)

30 June 2025

Grant date	Expiry date	Exercise price	Balance at the start of the half-year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the half-year
01/06/2020	01/05/2026	$1.120	68,750	-	-	-	68,750
01/06/2020	01/05/2027	$1.120	68,750	-	-	-	68,750
01/06/2020	01/05/2028	$1.120	50,000	-	-	-	50,000
14/12/2021	30/11/2030	$3.490	100,000	-	-	-	100,000
25/07/2022	28/02/2028	$1.680	21,775	-	-	-	21,775
23/09/2023	28/02/2029	$0.640	75,000	-	-	-	75,000
09/12/2024	13/12/2027	$0.040	75,000,000	-	-	-	75,000,000
09/12/2024	13/12/2027	$0.040	3,125,000	-	-	-	3,125,000
09/12/2024	13/12/2027	$0.040	22,500,000	-	-	-	22,500,000
30/05/2025	29/05/2028	$0.019	-	2,000,000	-	-	2,000,000
30/05/2025	29/05/2030	$0.012	-	3,500,000	-	-	3,500,000
			101,009,275	5,500,000	-	-	106,509,275
Weighted average exercise price			$0.046	$0.015	$0.000	$0.000	$0.045

In addition to the above, the Company had issued following options to Mercer pursuant to Convertible Securities Agreement executed on 7 March 2023 are as follows:

30 June 2026

Grant date	Expiry date	Exercise price	Balance at the start of the half-year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the half-year
21/03/2023	21/03/2026	$1.49600	353,474	-	-	(353,474)	-
31/05/2023	26/05/2026	$1.49600	699,897	-	-	(699,897)	-
01/06/2023	01/06/2026	$1.49600	702,248	-	-	(702,248)	-
25/08/2023	25/08/2026	$0.90000	1,164,597	-	-	-	1,164,597
29/05/2024	29/05/2027	$0.11284	2,048,122	-	-	-	2,048,122
10/09/2024	10/09/2027	$0.04284	12,254,902	-	-	-	12,254,902
23/04/2026	23/04/2029	$0.02970	-	10,600,177	-	-	10,600,177
			17,223,240	10,600,177	-	(1,755,619)	26,067,798

A total of $374,168 expired Mercer options was recognised in the Consolidated Statement of Changes in Equity during the half-year ended 30 June 2026.

30 June 2025

Grant date	Expiry date	Exercise price	Balance at the start of the half-year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the half-year
21/03/2023	21/03/2026	$1.49600	353,474	-	-	-	353,474
31/05/2023	26/05/2026	$1.49600	699,897	-	-	-	699,897
01/06/2023	01/06/2026	$1.49600	702,248	-	-	-	702,248
25/08/2023	25/08/2026	$0.90000	1,164,597	-	-	-	1,164,597
29/05/2024	29/05/2027	$0.11284	2,048,122	-	-	-	2,048,122
10/09/2024	10/09/2027	$0.04284	12,254,902	-	-	-	12,254,902
			17,223,240	-	-	-	17,223,240

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 employees and management group.

Note 12. Share-based payments (continued)

Set out below are summaries of performance rights granted:

30 June 2026

Grant date	Expiry date	Exercise price	Balance at the start of the half-year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the half-year
22/08/2024	22/08/2028	$0.000	1,850,000	-	-	-	1,850,000
26/05/2026	24/06/2030	$0.000	-	6,200,000	-	-	6,200,000
			1,850,000	6,200,000	-	-	8,050,000

30 June 2025

Grant date	Expiry date	Exercise price	Balance at the start of the half-year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the half-year
22/08/2024	22/08/2028	$0.000	3,250,000	-	-	-	3,250,000
			3,250,000	-	-	-	3,250,000

On 25 June 2026, the Company issued 2,200,000 Class D performance rights and 4,000,000 Class E performance rights to the Executive Chairman, Mr Robert Proulx and two Non-Executive Directors, Mr Brett Mitchell and Dr Nina Webster upon shareholder approval in an annual general meeting on 26 May 2026, and with the following performance vesting conditions:

Note 1- Vesting Conditions:

Tranche	**Vesting Conditions**
Tranche D	The Company achieving and sustaining a market capitalisation of at least $20.0 million over 20 consecutive trading days.
Tranche E	The Company achieving and sustaining a market capitalisation of at least $30.0 million over 20 consecutive trading days.

For the performance rights granted during the current financial half-year, the Hoadley Valuation Model was used in conjunction with the Hoadley Parisian Barrier Model to determine the fair value at grant date with the following valuation model inputs:

	Tranche D	**Tranche E**
Number of performance rights granted	2,200,000	4,000,000
Grant date	26 May 2026	26 May 2026
Expiry date	24 June 2030	24 June 2030
Weighted average share price at date of grant ($)	$0.014	$0.014
Weighted average exercise price ($)	-	-
Weighted average volatility %	75%	75%
Weighted average risk-free rate %	4.590%	4.590%
Vesting conditions	Refer to Note 1	Refer to Note 1
Fair value per performance right ($)	$0.0098	$0.0079
Fair value of performance right ($)	$21,491	$31,969

Imagion Biosystems Limited
Directors' declaration
30 June 2026

In the directors' opinion:

- the attached financial statements and notes comply with the *Corporations Act 2001*, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;

- the attached financial statements and notes give a true and fair view of the Consolidated Entity's financial position as at 30 June 2026 and of its performance for the financial half-year ended on that date; and

- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the *Corporations Act 2001*.

On behalf of the directors

Robert Proulx
Executive Chairman

24 August 2026

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

REPORT ON THE HALF-YEAR FINANCIAL REPORT

Conclusion

We have reviewed the accompanying half-year financial report of Imagion Biosystems Limited ("the company") and its Controlled Entity (together "the consolidated entity") which comprises the consolidated statement of financial position as at 30 June 2026, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of material accounting policy information and other explanatory information, and the directors' declaration.

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

(a) giving a true and fair view of the consolidated entity's financial position as at 30 June 2026 and of its performance for the half-year ended on that date; and

(b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company 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 (including Independence Standards)* (the Code) that are relevant to our audit of the annual 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 Imagion Biosystems Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.

Material Uncertainty Related to Going Concern

We draw attention to Note 2 in the half-year financial report, which indicates the consolidated entity incurred a loss of $1,981,169 and had net cash outflows from operating activities of $1,786,160 for the half year ended 30 June 2026 and, as of that date, the consolidated entity had net current liabilities of $3,425,510 and net liabilities of $3,419,291. As stated in Note 1, these conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the consolidated entity's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

Directors' Responsibility for the Half-Year Financial Report

The directors of Imagion Biosystems Limited are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the consolidated entity's financial position as at 30 June 2026 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

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

RSM

RSM AUSTRALIA PARTNERS

A Whittingham

A L WHITTINGHAM
Partner

Dated: 24 August 2026
Melbourne, Victoria