

**ACTIVITY REPORT AND CASH FLOW REPORT
FOR THE QUARTER ENDED 30 SEPTEMBER 2020**

MELBOURNE (AUSTRALIA) 26 October 2020: Invion Limited (ASX: IVX) ("Invion" or the "Company") would like to provide the following update and Appendix 4C for the quarter ending 30 September 2020.

Summary of cash position and expenditure during the quarter

The Company held cash reserves at the end of the quarter of \$0.651 million, in line with forecasts, and recorded a net cash inflow relating to operating activities of \$32,000.

The Australian government's wage supplement and business support packages to offset the impact of COVID-19 contributed \$66,000 to Invion's cash position.

The primary areas of expenditure for the quarter were research and development (R&D) at \$0.401 million and administration and corporate costs at \$0.166 million.

The Company remains funded through its R&D services agreement with RMW Cho Group and fluctuations in cash position are influenced by the timing of payments and receipts.

As detailed in Item 6.1 of the accompanying Appendix 4C, the Company discloses that the aggregate amount of payments to related parties and their associates during September quarter totalled \$58,000 and comprised salaries, fees and superannuation to directors.

R&D activities during the quarter

Research and development (R&D) continued to be a key focus for the Company. Invion and its research partners have undertaken further laboratory testing of a selected number of new Active Pharmaceutical Ingredients (APIs), which are based on the Photosoft™ technology.

Tests were done against a wide range of cancer types and the findings to date have shown these new APIs to have greater anti-cancer activity than earlier versions of Invion's APIs.

Additionally, localisation studies undertaken in the quarter have also shown that the improved APIs are taken up by tumour tissue.

Work has also been done to ensure the manufacturing processes for the new APIs are capable to be scaled up when required as development works moves to preclinical stages and beyond.

Other significant activities

Invion announced management and board changes during the quarter. Rob Merriel joined the Company's board as a Non-Executive Director at the end of August to replace Melanie Farris and will stand for election at the Annual General Meeting.

Mr Merriel is a Certified Practising Accountant (CPA) with over 35 years of experience working in medical research (Hudson Institute of Medical Research and Baker Institute), large public healthcare services (Melbourne Health and Southern Health) and commercial organisations (Pacific Dunlop and Deloitte Consulting). He is currently the Chief Financial Officer, Chief Commercialisation Officer and Company Secretary of the Hudson Institute of Medical Research.

ASX ANNOUNCEMENT

Melanie Leydin was appointed as Invion's Chief Financial Officer in July this year. She brings 25 years of extensive experience in public company responsibilities to Invion and has an established track record in statutory financial reporting, financial forecasting and budgets, internal controls, ASX and ASIC compliance, corporate governance and shareholder relations.

Ms Leydin is a member of the Institute of Chartered Accountants, Fellow of the Governance Institute of Australia and is a Registered Company Auditor.

Invion's Chief Executive Officer, Craig Newton, will be stepping down from his role and the Company's board at the end of this month. Invion's Chairman Thian Chew will become the executive chairman and CEO from 31st October 2020.

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About Invion

Invion is a life-science company that is leading the global research and development of Photosoft™ technology for the treatment of a range of cancers. Invion holds the Australia and New Zealand license rights to the Photosoft™ technology. Research and clinical trials are funded by the technology licensor, RMW Cho Group Limited, via an R&D services agreement with the Company. Invion is listed on the ASX (ASX: IVX). This announcement was approved for release by Thian Chew, Chairman of the Board. For further information please contact investor@inviongroup.com.

About Photodynamic Therapy (PDT)

Invion is developing Photosoft™ technology as an improved next generation Photodynamic Therapy. PDT uses non-toxic photosensitisers and visible light in combination with oxygen to produce cytotoxic-reactive oxygen that kills malignant cells, shuts down tumours and stimulates the immune system. A potential alternative to surgery, and in contrast to radiotherapy and chemotherapy which are mostly immunosuppressive, PDT causes acute inflammation, expression of heat-shock proteins, and invasion and infiltration of a tumour by leukocytes.

Appendix 4C

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

Name of entity

INVION LTD

ABN

76 094 730 417

Quarter ended ("current quarter")

30 September 2020

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
1. Cash flows from operating activities			
1.1 Receipts from customers		654	654
1.2 Payments for			
(a) research and development		(401)	(401)
(b) product manufacturing and operating costs		(9)	(9)
(c) advertising and marketing		-	-
(d) leased assets		-	-
(e) staff costs		(112)	(112)
(f) administration and corporate costs		(166)	(166)
1.3 Dividends received (see note 3)		-	-
1.4 Interest received		-	-
1.5 Interest and other costs of finance paid		-	-
1.6 Income taxes paid		-	-
1.7 Government grants and tax incentives		66	66
1.8 Other (provide details if material)		-	-
1.9 Net cash from / (used in) operating activities		32	32
2. Cash flows from investing activities			
2.1 Payments to acquire or for:			
(a) entities		-	-
(b) businesses		-	-
(c) property, plant and equipment		-	-
(d) investments		-	-
(e) intellectual property		-	-
(f) other non-current assets		-	-

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

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	-	-

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	619	619
4.2	Net cash from / (used in) operating activities (item 1.9 above)	32	32
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	651	651

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	651	619
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	651	619

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	58
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		

7.	Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i> <i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	Total financing facilities	-	-
7.5	Unused financing facilities available at quarter end		-
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	32
8.2	Cash and cash equivalents at quarter end (item 4.6)	651
8.3	Unused finance facilities available at quarter end (item 7.5)	-
8.4	Total available funding (item 8.2 + item 8.3)	651
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1) <i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>	N/A
8.6	If item 8.5 is less than 2 quarters, please provide answers to the following questions:	
8.6.1	Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
	Answer: N/A	
8.6.2	Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
	Answer: N/A	
8.6.3	Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
	Answer: N/A	
<i>Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.</i>		

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 26 October 2020

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

Notes

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