

**ACTIVITY REPORT AND CASH FLOW REPORT  
FOR THE QUARTER ENDED 31 MARCH 2021**

**MELBOURNE (AUSTRALIA) 23 April 2021:** Invion Limited (ASX: IVX) ("Invion" or the "Company") wishes to provide the following update and Appendix 4C for the quarter ending 31 March 2021.

**Summary of cash position and expenditure during the quarter**

The Company held cash reserves at the end of the quarter of \$0.32 million and recorded a total net cash outflow relating to operating activities of \$0.2 million over the three-month period.

Invion remains funded through its R&D services agreement with RMW Cho Group and fluctuations in the cash position are influenced by the timing of payments and receipts. Invion invoices RMW Cho on a monthly basis and the Board believes Invion is adequately funded to advance its current program.

The primary areas of expenditure for the quarter were research and development (R&D) at \$0.25 million and administration and corporate costs at \$0.22 million.

As detailed in Item 6.1 of the accompanying Appendix 4C, the Company discloses that the aggregate payments to related parties and their associates during the March quarter totalled \$15,000 and relates to outstanding directors' fees for FY2020 paid during this quarter. The directors' fees for the current period are paid in share options.

**R&D activities during the quarter**

Invion's key focus during the period continued to be on the next generation of Photodynamic Therapy used for treating cancers.

The Company and its research partners have made significant progress in the discovery process on Active Pharmaceutical Ingredients (APIs) and are close to completing the development work on a new API based on the original Photosoft™ technology.

As outlined in the previous update, these new APIs have the potential to have greater anti-cancer activity and better cancer-targeting characteristics than earlier versions developed by Invion.

Invion will provide an update on this front in the near future.

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## **ASX ANNOUNCEMENT**

### **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](mailto: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")**

31 March 2021

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (9 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	264	1,584
1.2 Payments for		
(a) research and development	(247)	(1,073)
(b) product manufacturing and operating costs	-	(9)
(c) advertising and marketing	-	-
(d) leased assets	-	-
(e) staff costs	-	(224)
(f) administration and corporate costs	(218)	(666)
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	-	89
1.8 Other (provide details if material)	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(201)</b>	<b>(299)</b>
<b>2. Cash flows from investing activities</b>		
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 (9 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)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	-	-

<b>3.</b>	<b>Cash flows from financing activities</b>		
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)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	-	-

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	521	619
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(201)	(299)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (9 months) \$A'000</b>
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-
4.5	Effect of movement in exchange rates on cash held	-	-
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>320</b>	<b>320</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	320	521
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>320</b>	<b>521</b>

<b>6.</b>	<b>Payments to related parties of the entity and their associates</b>	<b>Current quarter \$A'000</b>
6.1	Aggregate amount of payments to related parties and their associates included in item 1	15
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

*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.*

<b>7. Financing facilities</b>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
<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>		
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
<b>7.4 Total financing facilities</b>	-	-
<b>7.5 Unused financing facilities available at quarter end</b>		-
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.		

<b>8. Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1 Net cash from / (used in) operating activities (item 1.9)	(201)
8.2 Cash and cash equivalents at quarter end (item 4.6)	320
8.3 Unused finance facilities available at quarter end (item 7.5)	-
8.4 Total available funding (item 8.2 + item 8.3)	320
<b>8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)</b>	1.59
<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>	
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?	
<p>Answer: At this time the sole focus of Invion activities is the development and commercialisation of the Photosoft™ technology. The development of Photosoft™ is funded via an R&amp;D agreement with the technology licensor, The Cho Group. Under this agreement, which was approved by Invion shareholders at the 2017 AGM, The Cho Group funds the fully burdened costs of development - including research, development and associated overhead costs - to meet pre-agreed development milestones. Funding and milestones are agreed on a quarterly basis by a Steering Committee between the parties.</p> <p>The Company held cash reserves of 320k at the end of March 2021, with net cash outflow from operating activities during the quarter of 201k. The operating cashflow for the March quarter was related to timing of invoicing for activities. This timing was preagreed by the parties. Invion is invoicing to the Cho Group on a monthly basis.</p>	

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: As at the end of the quarter, in accordance with the R&D services agreement, Invion invoiced to The Cho Group \$165k towards monthly advance for activities anticipated to be undertaken in the April 2021 which is received by Invion subsequent to the quarter end. Invion will continue to take and explore various actions that will ensure it will be able to continue its operations and meet business objectives.

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: This is based on the expected continued funding under the R&D agreement as referred above.

*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.*

## 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: 23 April 2021

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.