

**ACTIVITY REPORT AND CASH FLOW REPORT
FOR THE QUARTER ENDED 30 SEPTEMBER 2021**

MELBOURNE (AUSTRALIA) 21 October 2021: Invion Limited (ASX: IVX) ("Invion" or the "Company") wishes to provide the following update and Appendix 4C for the quarter ending 30 September 2021.

Summary of cash position and expenditure during the quarter

The Company held cash reserves at the end of the quarter of \$2.9 million, an increase of approximately \$1.9 million from the previous quarter, following a successful capital raise via a new share placement.

Notwithstanding the capital raise, Invion's cancer program remains fully funded through its R&D services agreement with RMW Cho Group. Invion invoices RMW Cho on a monthly basis and the Board believes Invion is adequately funded to advance its current cancer research program.

The Company recorded a cash outflow of \$0.35 million from Operating Activities in the September quarter and the primary areas of expenditure were research and development (R&D) at \$0.8 million and administration and corporate costs at \$0.37 million.

Proceeds from the share placement that was approved at the General Meeting on 23 September this year contributed \$4.5 million to Invion's cash flow from Financing Activities and the Company recorded an outflow from Investing Activities of \$2.3 million that is related to a one-off development payment under the recent Co-Development and Exclusive Distribution and Licence Agreements signed between Invion and RMW Cho.

The new agreements expand Invion's exclusive use of the Photosoft™ technology beyond cancer treatments to atherosclerosis and infectious diseases. Invion's exclusivity for the new indications covers Asia Pacific excluding greater China¹.

R&D activities during the quarter

Invion and RMW Cho are planning on commencing discovery on Photosoft™'s potential applications to treat atherosclerosis and infectious diseases. Atherosclerosis refers to the build-up of cholesterol, fat and other substances in arteries, and is a major cause of fatal heart diseases around the world.

Infectious diseases are also a major global issue, as the COVID-19 pandemic has shown. The initial studies will test Photosoft™ effectiveness on infectious diseases that may include viral, bacterial, fungal and parasitic.

While these new indications represent a significant opportunity for Invion, the Company's primary activity in the quarter continued to be, and will continue to be, focused on developing the next generation of Photodynamic Therapy for treating cancers.

Invion's research partner, the Hudson Institute of Medical Research, is undertaking additional Proof-of-Concept (PoC) work on the improved Active Pharmaceutical Ingredient (API), called

¹ Asia Pacific territories exclude the Middle East, Russia and the specified territories of China, Hong Kong, Macau and Taiwan

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INV043, to study its effect on immune response as well as exploring its potential to work together with other therapies.

The study follows the promising findings from the initial PoC results released in May 2021 where significant regression was observed in vivo in T-cell lymphoma, triple negative breast and pancreatic cancer models when a photoactive INV043 was applied.

Upcoming developments and updates

Invion is aiming to provide further updates to shareholders over the coming quarters in light of recent developments and as disruptions that are outside of Invion's control have waned.

In addition to the forthcoming additional PoC results outlined above, Invion is working closely with its research partners to identify the initial types of cancers it will advance to clinical trials. The Company will release details on the PoC and clinical roadmap when it is able to.

Further, Invion will also issue an update when pre-clinical studies on atherosclerosis and infectious diseases have commenced.

Investor and Media enquiries:

Thian Chew (Chairman & CEO)

T: +61 3 8618 6843

E: investor@inviongroup.com

Brendon Lau (Investor & Media Relations)

M: +61 409 341 613

E: brendon.lau@inviongroup.com

About Invion

Invion is a life-science company that is leading the global research and development of Photosoff™ technology for the treatment of a range of cancers, atherosclerosis and infectious diseases. Invion holds the exclusive Australia and New Zealand license rights to the Photosoff™ technology for all cancer indications and Asia Pacific (excluding Greater China) for atherosclerosis and infectious diseases. Research and clinical cancer 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.

About Photodynamic Therapy (PDT)

Invion is developing Photosoff™ 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 2021

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	728	728
1.2 Payments for		
(a) research and development	(795)	(795)
(b) product manufacturing and operating costs	-	-
(c) advertising and marketing	-	-
(d) leased assets	-	-
(e) staff costs	-	-
(f) administration and corporate costs	(367)	(367)
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	-	-
1.8 Other (provide details if material)	88	88
1.9 Net cash from / (used in) operating activities	(346)	(346)
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	(2,250)	(2,250)
(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	(2,250)	(2,250)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	4,500	4,500
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	4,500	4,500

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	1,037	1,037
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(346)	(346)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(2,250)	(2,250)

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)	4,500	4,500
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	2,941	2,941

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	2,941	1,037
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)	2,941	1,037

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	-
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	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<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)	-	-
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)	(346)
8.2 Cash and cash equivalents at quarter end (item 4.6)	2,941
8.3 Unused finance facilities available at quarter end (item 7.5)	-
8.4 Total available funding (item 8.2 + item 8.3)	2,941
8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)	8.5
<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?	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?	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?	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: 21 October 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.