

ACTIVITY REPORT AND CASH FLOW REPORT FOR THE QUARTER ENDED 31 MARCH 2022

MELBOURNE (AUSTRALIA) 20 April 2022: Invion Limited (ASX: IVX) ("Invion" or the "Company") wishes to provide the following update and Appendix 4C for the quarter ending 31 March 2022.

Summary of cash position and expenditure during the quarter

The Company held cash reserves at the end of the quarter of \$8.1 million, compared with a cash balance of \$13.6 million in the previous quarter, following the payment of \$5 million to RMW Cho Group Limited (RMW) for a new Exclusive Licence and Distribution Agreement that dramatically expands Invion's addressable markets (see below for more details).

The existing R&D services agreement with RMW still stands where RMW will fully fund all cancer-related research and development of Photosoft™ around the world, apart from the Asia Pacific countries where Invion has exclusive rights to.

Invion recorded a cash outflow of \$479,000 from Operating Activities in the March quarter and the primary areas of expenditure were research and development (R&D) at \$619,000 and administration and corporate costs at \$446,000.

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 quarter totalled \$155,000. The payment relates to outstanding CEO salary and the superannuation component of the directors' fees.

R&D activities during the quarter

Invion's key focus during the March quarter continued to be on the development of the Photosoft™ technology for the treatment of multiple cancer types. The Company is working with its research partner, Hudson Institute of Medical Research, to progress several additional Proof-of-Concept (PoC) studies on Invion's latest Active Pharmaceutical Ingredient (API), INV043.

Work is advancing on studies comparing INV043 with immunotherapies, including checkpoint inhibitors, as well as further characterisation of the body's immune response following treatment using INV043.

During the quarter, Invion has also been working on new patent filings. These applications pave the way for new global patents to be filed to further protect the unique Photosoft™ technology.

Additionally, Invion is commencing work on using Photosoft™ to treat atherosclerosis and infectious diseases and is exploring collaboration opportunities with world-renowned institutions to progress studies on these disease areas.

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Investing & Financing activities

Invion recorded a cash outflow of \$5 million from investing activities that is related to the one-off payment to RMW for a new licensing and distribution agreement.

The Company received strong support at its General Meeting on 29 March 2022 where 99.9% of shareholders voted in favour of acquiring the new rights to Photosoft™ that significantly expand on the Company's initial Exclusive Licensing agreement with RMW.

Under this new agreement, RMW will contribute its existing intellectual property and know-how in relation to the Photosoft™ technology for the Indications and Invion will pay RMW a one-time amount of \$5 million as its contribution to the development costs of the technology.

Invion will have the exclusive distribution rights to the Photosoft™ technology for the treatment of cancers in all Asia Pacific countries, including Hong Kong, but excluding China, Macau, Taiwan, Japan and South Korea.

This expanded agreement is on top of the co-development agreement struck between Invion and RMW Cho, which was announced to the market on 2 June 2021. That agreement gives the Company exclusive rights to Photosoft™ for the treatment of atherosclerosis and infectious diseases (including viral, bacterial, fungal and parasitic) in Asia Pacific¹. Invion and RMW Cho will co-fund the development of treatments for these indications.

These collective agreements significantly expand the pipeline of opportunities and markets available to Invion.

Invion also recorded a cash outflow of \$25,000 from financing activities due to expenses relating to the Company's capital raising, which was announced to the market in November last year.

This announcement was approved for release by Tian Chew, Chairman of the Board.

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About Invion

Invion is a life-science company that is leading the global research and development of the Photosoft™ technology for the treatment of a range of cancers, atherosclerosis and infectious diseases. Invion holds the exclusive Australia and New Zealand license rights and exclusive distribution rights to Asia Pacific excluding China (other than Hong Kong, which is included in the Territory), Macau, Taiwan, Japan and South Korea to the Photosoft™ technology for all cancer indications. It also holds the exclusive rights to the technology in Asia Pacific (excluding Greater China) for atherosclerosis and infectious diseases. Research and clinical cancer trials

¹ Asia Pacific includes Asia and Oceania (other than Australia and New Zealand, which are the subject of an existing distribution and licence agreement with RMW), and excludes Middle East, Russia and the specified territories of China, Hong Kong, Macau and Taiwan.

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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).

About Photodynamic Therapy (PDT)

Invion is developing Photosoft™ technology as a novel next generation Photodynamic Therapy (PDT). PDT uses non-toxic photosensitisers and light to selectively kill cancer cells and promote an anti-cancer immune response. Less invasive than surgery and with minimal side effects, PDT offers an alternative treatment option aimed at achieving complete tumour regression and long-lasting remission.

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 2022

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	586	1,839
1.2 Payments for		
(a) research and development	(619)	(1,964)
(b) product manufacturing and operating costs	-	-
(c) advertising and marketing	-	-
(d) leased assets	-	-
(e) staff costs	-	-
(f) administration and corporate costs	(446)	(1,493)
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
1.9 Net cash from / (used in) operating activities	(479)	(1,530)
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	(5,000)	(7,250)
(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)	-	-
2.6	Net cash from / (used in) investing activities	(5,000)	(7,250)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	16,638
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	(25)	(843)
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	(25)	15,795

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	13,556	1,037
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(479)	(1,530)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(5,000)	(7,250)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(25)	15,795
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	8,052	8,052

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	8,052	13,556
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)	8,052	13,556

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	155
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.

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

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. 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)	(479)
8.2 Cash and cash equivalents at quarter end (item 4.6)	8,052
8.3 Unused finance facilities available at quarter end (item 7.5)	-
8.4 Total available funding (item 8.2 + item 8.3)	8,052
8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)	16.81
<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: 20 April 2022

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.