

ACTIVITY REPORT AND CASH FLOW REPORT FOR THE QUARTER ENDED 30 JUNE 2022

Highlights:

- Invion and its partners continue to lay the groundwork for its upcoming clinical trials, initially targeting skin and anogenital cancers
- Peter Mac is spearheading the anogenital cancer development work
- Hudson Institute is undertaking further PoC studies that further lay the groundwork for the clinical trial preparations
- Invion continues to work towards its original clinical trial timeline, although ongoing disruptions from the pandemic could delay the start date to 1H CY2023
- Hudson Institute released its 3rd PoC result during the quarter showing INV043 improved the effectiveness of Immune Checkpoint Inhibitor (ICI) therapies by ~65%
- Invion has also commenced preparatory and early-stage preclinical work on atherosclerosis and infectious diseases

MELBOURNE (AUSTRALIA) 21 July 2022: Invion Limited (ASX: IVX) ("Invion" or the "Company") wishes to provide the following update and Appendix 4C for the quarter ending 30 June 2022.

Summary of cash position and expenditure during the quarter

The Company held cash reserves at the end of the quarter of \$8.5 million, compared with a cash balance of \$8.1 million in the previous quarter. Invion 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.

Under the R&D agreement, RMW reimburses Invion for 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 inflow of \$422,000 from Operating Activities in the June quarter and the primary areas of expenditure were research and development (R&D) at \$717,000 and administration and corporate costs at \$501,000.

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 \$238,000. The payment relates to CEO salary and bonus paid during the quarter.

R&D activities during the quarter

Invion's key focus during the June quarter continued to be on the development of the Photosoft™ technology for the treatment of multiple cancer types. The Company is working with its partners to lay the foundations and complete preparatory work for its clinical trials.

The first indications (targets) for the trials are likely to be skin cancer (superficial basal cell carcinoma) and a type of anogenital cancer. Invion's research partner, the **Peter MacCallum Cancer Centre** (Peter Mac), is spearheading related development work and has commenced early-stage in vitro work using INV043.

Invion continues to work towards its original clinical trial timeframe but there is a risk this may be pushed into early 2023 due to factors outside the Company's control. The medical science

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industry continues to feel the impact of the disruptions caused by the global pandemic, including logistical delays and shortages of qualified staff and materials.

Despite these challenges, Invion's other research partner, **Hudson Institute of Medical Research**, successfully completed its third Proof-of-Concept (PoC) study looking at using Invion's lead drug candidate, INV043, in combination therapy with immune checkpoint inhibitors (ICIs). The study found that the combination therapy improved effectiveness of the treatment by around 65% in mice with triple negative breast cancer (TNBC) when compared to using standalone ICI therapy.

Hudson Institute is undertaking further PoC work, including a more detailed study analysing the immune response using INV043 and additional models to demonstrate efficacy and safety.

The results open an additional avenue for Invion to potentially commercialise INV043 in partnership with global pharmaceutical groups, while Invion continues to develop INV043 as a standalone therapy for multiple cancers.

Invision has also started preparatory and preclinical work on using Photosoft™ to treat atherosclerosis and infectious diseases during the quarter. The work is still at a very early stage and Invion will provide updates as significant milestones are achieved – although this is not expected in the near term.

Finally, Invion announced in the June quarter that an International Patent Application, which includes the lead compound INV043, was published. This patent builds upon previously granted Photosoft™ related patents in Australia and other territories that Invion has exclusive rights to.

Investing & Financing activities

Invision did not record any cashflow movements from its investing activities and financing activities.

The Company believes its strong cash position of \$8.5 million (with no debt) and its funding arrangement with RMWC will enable it to pursue its near- and medium-term development agenda.

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

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About Invion

Invision 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

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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 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")

30 June 2022

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities			
1.1 Receipts from customers		1,640	3,479
1.2 Payments for			
(a) research and development		(717)	(2,681)
(b) product manufacturing and operating costs		-	-
(c) advertising and marketing		-	-
(d) leased assets		-	-
(e) staff costs		-	-
(f) administration and corporate costs		(501)	(1,994)
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		422	(1,108)
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		-	(7,250)
(f) other non-current assets		-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 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	-	(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	-	(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	-	15,795

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	8,052	1,037
4.2	Net cash from / (used in) operating activities (item 1.9 above)	422	(1,108)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	(7,250)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	15,795
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	8,474	8,474

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	8,474	8,052
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)	8,474	8,052

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	238
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)	422
8.2	Cash and cash equivalents at quarter end (item 4.6)	8,474
8.3	Unused finance facilities available at quarter end (item 7.5)	-
8.4	Total available funding (item 8.2 + item 8.3)	8,474
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?	
	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 July 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.