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

Highlights:

- **Positive results from *in vitro* studies by Peter Mac showed INV043's effectiveness against six SCC cell lines that represent the full range of anal cancers**
- **Peter Mac and Hudson Institute continuing pre-clinical testing**
- **Separate studies testing Photosoft™ on viruses (Zika and SARS-CoV-2 – delta and omicron variants) have yielded successful results *in vitro***

MELBOURNE (AUSTRALIA) 17 October 2022: Invion Limited (ASX: IVX) ("Invion" or the "Company") wishes to provide the following update and Appendix 4C for the quarter ended 30 September 2022.

Summary of cash position and expenditure during the quarter

The Company held cash reserves at the end of the quarter of $7.8 million, compared with a cash balance of $8.5 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 outflow of $560,000 from Operating Activities in the quarter and the primary areas of expenditure were research and development (R&D) at $870,000 and administration and corporate costs at $333,000.

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 $77,000. The payment relates to CEO salary paid during the quarter.

R&D activities during the quarter

Invion's primary focus continues to be on the development of the Photosoft™ technology for treating multiple cancer types. To that end, the Company was pleased to announce the successful *in vitro* studies by the **Peter MacCallum Cancer Centre** (Peter Mac), which demonstrated INV043's effectiveness against six squamous cell carcinoma (SCC) cell lines that represent the full range of anal cancers.

The overall results were consistent with the promising outcomes achieved by the **Hudson Institute of Medical Research** (Hudson Institute) on other cancer types, including triple negative breast cancer. Peter Mac, Hudson Institute and other partners are undertaking further work on INV043 that will help pave the way for human clinical trials.

Invion was aiming to start at least one of these trials before the end of this calendar year, but due to delays and disruptions caused by the pandemic that is still felt across the clinical research sector, this is now expected to commence in the first half of CY2023.

During the quarter, Invion has also reported its first test results using Photosoft™ on viruses. *In vitro* studies undertaken by leading contract research and clinical laboratory service

company Viroclinics-DDL and Virology Research Services Ltd (VRS), showed selected Photosoft™ compounds to be effective against the Zika virus and have a more attractive Therapeutic Indexes[1] than the control Monensin (an antibiotic that is known to have activity against Zika in *in vitro* laboratory tests, but due to its in vivo toxicity cannot be used in humans).

Successful *in vitro* tests on COVID-19

In a further significant development, Invion is pleased to announce another successful *in vitro* test on the virus that causes COVID-19. The results from separate studies this month showed that nine out of the ten Photosoft™ compounds tested by Viroclinics and VRS displayed antiviral activity against the Delta and Omicron BA.1 variants of SARS-CoV-2. The global coronavirus treatment market is forecast to reach US$49bn by 2027 (17.5% CAGR)[2].

The studies tested ten different Photosoft™ compounds at eight concentrations for antiviral activity against the SARS-CoV-2 strains. The control group was treated with Remdesivir – a broad-spectrum antiviral medication developed by global pharmaceutical, Gilead Sciences. Remdesivir has been approved or authorised for emergency use to treat COVID-19 in numerous countries.

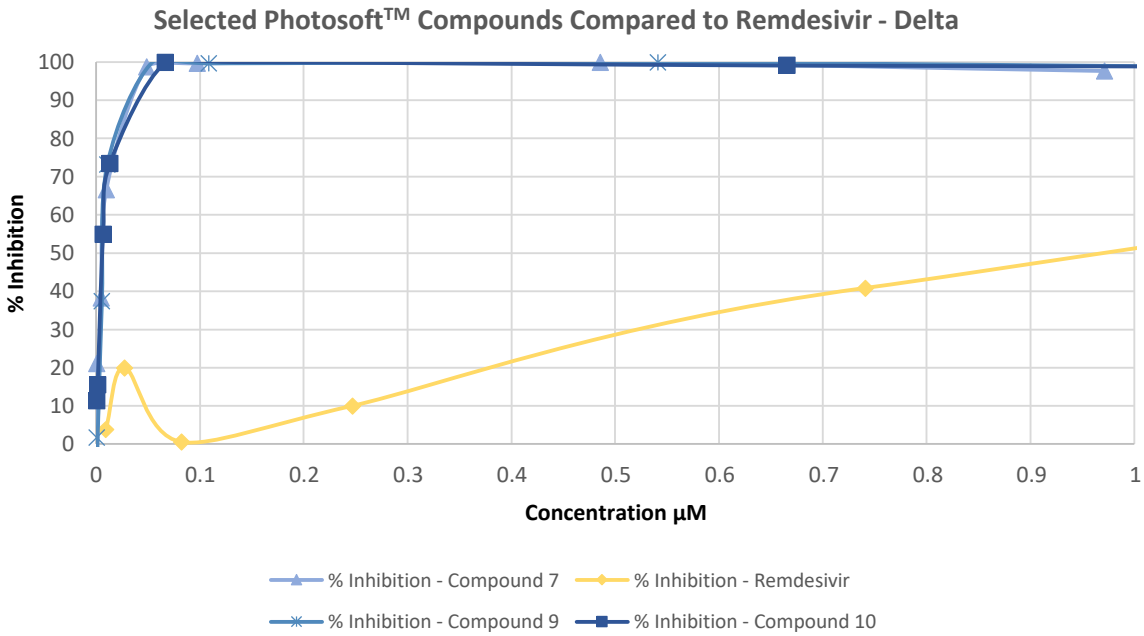
The results showed that multiple Photosoft™ compounds (at one or more experimental concentrations) exposed to specific light wavelengths were effective in inhibiting the Delta and Omicron strains of the virus, and that these compounds required far lower levels of concentration than Remdesivir to be effective. All EC50 determined for the test compounds were lower than the Remdesivir values, including Compound 7 with an EC50 against Omicron BA.1 more than 400 times smaller, and Compound 10 with an EC50 against Delta more than 250 times smaller than that of Remdesivir.

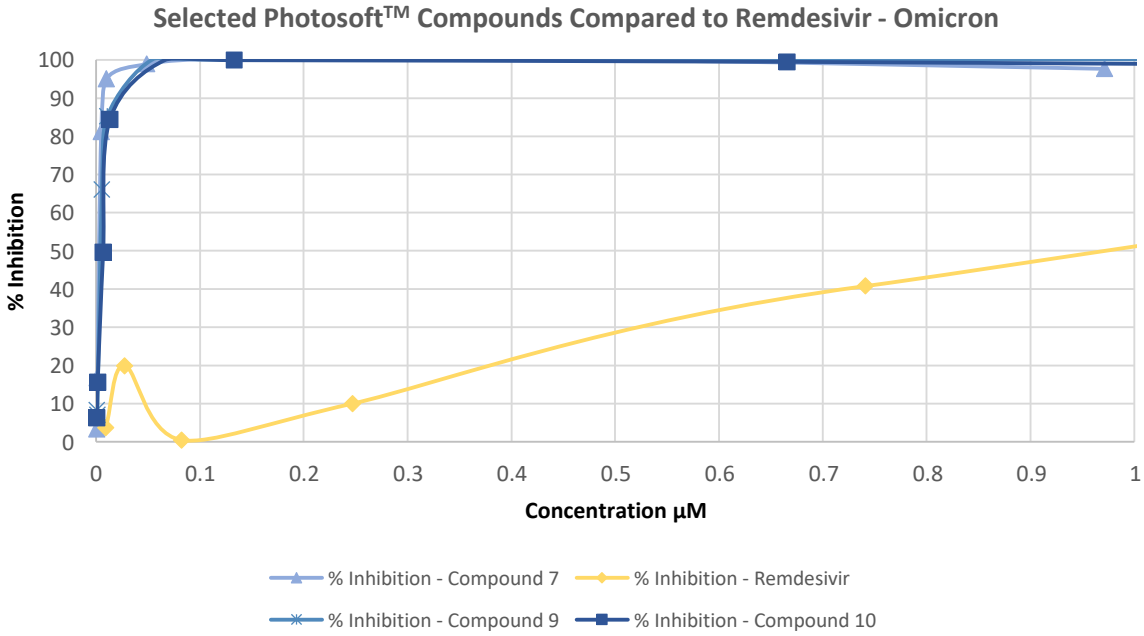
No cytotoxicity was detected for five of the ten Photosoft™ compounds, while the remaining five displayed light-dependent cytotoxicity with high Therapeutic Index values, including 356 for the most potent anti-Omicron BA.1 compound and 109 for the most potent anti-Delta compound. It is generally considered that a drug has a good safety profile if its Therapeutic Index exceeds the value of 10[3].

[1] A Therapeutic Index (TI) is frequently determined in viral assays as the dose of a drug that kills 50% of the host cells (CC50) divided by the minimum effective dose to cause 50% inhibition of the virus (EC50).

[2] https://www.coherentmarketinsights.com/market-insight/coronavirus-treatment-drugs-market-4312

[3] https://www.ncbi.nlm.nih.gov/pmc/articles/PMC4412688/#:~:text=It%20is%20generally%20considered%20that,exceeds%20the%20value%20of%2010





Meanwhile, Invion is continuing work on the potential for Photosoft™ technology on other infectious diseases.

Investing & Financing activities

Invion recorded a $76,000 expense in its Investment Activities that relate to the purchase of equipment in the quarter. It did not record any cashflow movements from its Financing Activities during the period.

The Company believes its strong cash position of $7.8 million (with no debt) and its funding arrangement with RMWC will enable it to pursue its near- and medium-term development agenda.

ASX ANNOUNCEMENT

This announcement was approved for release by the Board of Directors.

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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 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). For more information, visit www.inviongroup.com.

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	**Quarter ended ("current quarter")**
76 094 730 417	30 September 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	643	643
1.2	Payments for		
	(a) research and development	(870)	(870)
	(b) product manufacturing and operating costs	-	-
	(c) advertising and marketing	-	-
	(d) leased assets	-	-
	(e) staff costs	-	-
	(f) administration and corporate costs	(333)	(333)
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)	-	-
1.9	**Net cash from / (used in) operating activities**	**(560)**	**(560)**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant, and equipment	(76)	(76)
	(d) investments	-	-
	(e) intellectual property	-	-
	(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**	**(76)**	**(76)**

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	8,474	8,474
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(560)	(560)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(76)	(76)

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)	-	-
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	**Cash and cash equivalents at end of period**	**7,838**	**7,838**

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	7,838	8,474
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)**	**7,838**	**8,474**

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	77
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.

7.	**Financing facilities** *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.*	**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)	(560)
8.2	Cash and cash equivalents at quarter end (item 4.6)	7,838
8.3	Unused finance facilities available at quarter end (item 7.5)	-
8.4	Total available funding (item 8.2 + item 8.3)	7,838
8.5	**Estimated quarters of funding available (item 8.4 divided by item 8.1)**	14

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.

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

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: 17 October 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.