

## ACTIVITY REPORT AND CASH FLOW REPORT FOR THE QUARTER ENDED 31 MARCH 2023

### Highlights:

- **Invion signed an agreement to expand its exclusive rights for Photosoft™ to the US, Canada and Hong Kong for infectious diseases (ID)**
- **The agreement significantly expands Invion's addressable market for ID with early studies finding that Photosoft™ showed activity against a range of viruses, bacteria and fungi, including COVID-19 and the superbug MRSA**
- **Invion has the option to also expand its rights to the three countries for atherosclerosis, which is linked to heart disease – a leading cause of death worldwide**
- **The Company continues to work with its research partners to prepare to commence at least two clinical trials this calendar year**
- **Cash position of \$7.2M at end of March 2023 is sufficient to fund the Company's short- and medium-term development agenda**

**MELBOURNE (AUSTRALIA) 28 April 2023:** Invion Limited (ASX: IVX) ("Invion" or the "Company") wishes to provide the following update and Appendix 4C for the quarter ended 31 March 2023 (2QFY23).

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

The Company held cash reserves at the end of the quarter of \$7.2 million compared with \$8 million for 1QFY23. Invion remains funded through its R&D services agreement with RMW Cho Group and fluctuations in its cash position are influenced by the timing of payments and receipts.

Under the R&D agreement, RMW reimburses Invion for all cancer-related research in Australia and New Zealand. For other research in Invion's territories, RMW will reimburse 75% of non-clinical and 25% of clinical activities.

Invion recorded a cash outflow of \$0.9 million from Operating Activities in the quarter and the primary areas of expenditure were research and development (R&D) at \$707k and administration and corporate costs at \$503k.

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 \$143k. The payment relates to CEO salary and Directors' fees paid during the quarter.

### R&D activities during the quarter

Invion is focused on the development of the Photosoft™ technology for the treatment of cancers and infectious diseases and atherosclerosis (AID).

During the quarter, the Company continued to work with its research partners to lay the groundwork for clinical trials in at least two types of cancers – skin and anogenital. These trials are expected to commence before the end of this calendar year.

Invion also achieved another significant milestone in the period after it signed an agreement with RMW Cho Group Limited (RMW), the licensor of Photosoft™, to expand the existing

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arrangements for the co-development of the Photosoft™ technology in relation to infectious diseases (ID) indications.

The new agreement will give Invion exclusive rights in the United States of America, Canada and Hong Kong for the ID indications. These countries are in addition to the Asia Pacific territories<sup>1</sup> that are covered under a previous agreement that Invion signed with RMW.

In exchange for the three additional countries, Invion will pay RMW \$2.5 million as a contribution to prior development costs invested by RMW in the Photosoft™ technology in relation to the ID Indications for the new markets.

The agreement was approved by shareholders at a general meeting on 6 April 2023 and significantly expands the addressable markets for Invion. As detailed in previous announcements, early pre-clinical studies have found that Photosoft™ showed activity against a range of viruses, bacteria and fungi. These include the superbug Methicillin-resistant *Staphylococcus aureus* (MRSA) and SARS-CoV-2 (the virus that causes COVID-19).

The Company has the option to make a further \$1 million contribution to RMW to secure the rights for atherosclerosis in those three markets.

Diseases linked to atherosclerosis is the leading cause of death in the US and around half of Americans between the ages of 45 and 84 have atherosclerosis without knowing it<sup>2</sup>. The global atherosclerosis market is estimated to grow to US\$58.2 billion by 2032<sup>3</sup> with the US being the largest market.

### Investing & Financing activities

Invion did not record any cash movements from its Investing and Financing Activities during the period.

The Company believes its strong cash position of over \$7 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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### Investor and Media enquiries:

Thian Chew (Chairman & CEO)

T: +61 3 9692 7222

E: [investor@inviongroup.com](mailto:investor@inviongroup.com)

Brendon Lau (Investor & Media Relations)

M: +61 409 341 613

E: [brendon.lau@inviongroup.com](mailto:brendon.lau@inviongroup.com)

### About Invion

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<sup>1</sup> 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

<sup>2</sup> National Heart, Lung, and Blood Institute (NIH) <https://www.nhlbi.nih.gov/health/atherosclerosis>

<sup>3</sup> <https://www.futuremarketinsights.com/reports/atherosclerosis-market>

## **ASX ANNOUNCEMENT**

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](http://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**

76 094 730 417

**Quarter ended ("current quarter")**

31 March 2023

<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	335	2,374
1.2 Payments for		
(a) research and development	(707)	(2,310)
(b) product manufacturing and operating costs	-	-
(c) advertising and marketing	-	-
(d) leased assets	-	-
(e) staff costs	-	-
(f) administration and corporate costs	(503)	(1,304)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	1	2
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)	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(874)</b>	<b>(1,238)</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	-	(76)
(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>(76)</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	8,034	8,474
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(874)	(1,238)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	(76)

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)	-	-
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	<b>Cash and cash equivalents at end of period</b>	<b>7,160</b>	<b>7,160</b>

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	5,160	8,034
5.2	Call deposits	2,000	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>7,160</b>	<b>8,034</b>

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	143
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>		

<b>7.</b>	<b>Financing facilities</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>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	<b>Total financing facilities</b>	-	-
7.5	<b>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.</b>	<b>Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1	Net cash from / (used in) operating activities (item 1.9)	(874)
8.2	Cash and cash equivalents at quarter end (item 4.6)	7,160
8.3	Unused finance facilities available at quarter end (item 7.5)	-
8.4	Total available funding (item 8.2 + item 8.3)	7,160
8.5	<b>Estimated quarters of funding available (item 8.4 divided by item 8.1)</b>	8.2
<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: 28 April 2023

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.