

**ACTIVITY REPORT AND CASH FLOW REPORT
FOR THE QUARTER ENDED 30 JUNE 2023**

Highlights:

- **Invion progressing towards clinical trials as it completes majority of the required pre-clinical studies and all drug discovery work for INV043**
- **Newly granted Australian patent on Photosoft™ (including INV043) – building on previous patents on the technology and extending IP protection till at least late 2041**
- **Cash position of \$4.1M on 30 June 2023 after \$2.5M payment to extend Invion's exclusive territories for Photosoft for infectious diseases**
- **The Company believes its cash balance and funding arrangements with RMW Cho gives it sufficient resources to pursue its current development agenda**

MELBOURNE (AUSTRALIA) 20 July 2023: Invion Limited (ASX: IVX) ("Invion" or the "Company") wishes to provide the following update and Appendix 4C for the quarter ended 30 June 2023 (2QFY23).

Summary of cash position and expenditure during the quarter

The Company held cash reserves at the end of the quarter of \$4.1 million compared with \$7.2 million for 3QFY23. The decline in the cash balance is driven in part by the \$2.5 million payment to RMW Cho Group (RMW), the licensor of the Photosoft™ technology, to expand Invion's rights for infectious diseases indications to the United States of America, Canada and Hong Kong.

Invion remains funded through its R&D services agreement with RMW 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 net cash outflow of \$0.6 million from Operating Activities in the quarter, with key outflows towards research and development (R&D) at \$775k and administration and corporate costs at \$510k.

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 \$264k. The payment relates to CEO salary, CEO Bonus and Directors fees paid during the quarter.

R&D activities during the quarter

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

The Company's priority during the quarter is to work with its partners, including the Peter MacCallum Cancer Centre and Hudson Institute of Medical Research, to complete the preparatory groundwork for the upcoming clinical trials. The drug discovery work on both topical and intravenous (IV) formulations of INV043, the lead drug candidate, have been completed.

ASX ANNOUNCEMENT

Meanwhile, Invion and its partners have made significant progress on the pre-clinical studies required for the Phase 1 trials, including having largely completed this work for the topical drug product, which will be used in the skin cancer and anogenital cancer trials.

The Company is progressing on the pre-clinical studies for the IV drug product that will be used in future solid tumour clinical trials.

Further, Invion is working with **IDT Australia Limited** (ASX: IDT) on manufacturing the Active Pharmaceutical Ingredient (API) drug substance, and is also working on manufacturing drug products for both topical and IV administrations.

Additionally, drug discovery studies using Photosoft on infectious diseases and atherosclerosis are continuing with research partners including the Australian Centre for Antimicrobial Resistance Ecology (ACARE), which is part of the University of Adelaide. Invion will release further results from these studies as they become available.

Following the end of the June quarter, Invion announced that RMW, its licensor, has a newly granted Australian patent (Australian Patent No. 2021388872, *Photodynamic Therapy and Diagnosis*) for Photosoft, which includes the lead compound INV043.

This patent builds upon previously granted patents to the technology in Australia and other territories that Invion has exclusive rights to and extends the intellectual property (IP) protection for Photosoft for around another two decades until at least late 2041.

Investing & Financing activities

Invision recorded a cash outflow of \$2.5 million from Investing Activities in the period. As explained above, this relates to the payment to RMW for the expanded territory rights for Photosoft for infectious diseases indications, which was announced to the ASX on 8 February 2023.

The Company did not record any cash movements from its Financing Activities in the quarter.

The Company believes its cash position of over \$4 million (with no debt) and its funding arrangement with RMW will enable it to pursue its current development agenda over the near- and medium-term.

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

76 094 730 417

Quarter ended ("current quarter")

30 June 2023

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	692	3,066
1.2 Payments for		
(a) research and development	(775)	(3,085)
(b) product manufacturing and operating costs	-	-
(c) advertising and marketing	-	-
(d) leased assets	-	-
(e) staff costs	-	-
(f) administration and corporate costs	(510)	(1,814)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	18	20
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	(575)	(1,813)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant, and equipment	-	(76)
(d) investments	-	-
(e) intellectual property	(2,500)	(2,500)
(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	(2,500)	(2,576)

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	7,160	8,474
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(575)	(1,813)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(2500)	(2,576)

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	4,085	4,085

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	2,085	5,160
5.2	Call deposits	2,000	2,000
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)	4,085	7,160

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	264
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)	(575)
8.2	Cash and cash equivalents at quarter end (item 4.6)	4,085
8.3	Unused finance facilities available at quarter end (item 7.5)	-
8.4	Total available funding (item 8.2 + item 8.3)	4,085
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1)	7.1
<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>		
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 July 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.