ACTIVITY REPORT AND CASH FLOW REPORT
FOR THE QUARTER ENDED 30 SEPTEMBER 2023

Highlights:

- **On track to commence Ph1 trial on non-melanoma skin cancers (NMSC) by year end and plans to go straight to a Ph1b/2 trial for anogenital cancers**
- **Plans to undertake two other Ph1 trials in CY24 for a solid tumour and oral diseases**
- **Expanded exclusive rights to Photosoft™ for all cancer types to South Korea**
- **New Australian patent for Photosoft granted, which includes the lead compound INV043, that will extend IP protection till late 2041**

MELBOURNE (AUSTRALIA) 24 October 2023: Invion Limited (ASX: IVX) ("Invion" or the "Company") wishes to provide the following update and Appendix 4C for the quarter ended 30 September 2023 (1QFY24).

Summary of cash position and expenditure during the quarter

The Company held cash reserves at the end of the quarter of $3.4 million compared with $4.1 million for 4QFY23. Operating cash flows increased by $206K and the decline in the cash balance is driven by the $0.9 million payment to RMW Cho Group (RMW), the licensor of the Photosoft™ technology, to expand Invion's rights for cancer indications to the South Korean market.

Invion remains funded through its R&D services agreement with RMW and fluctuations in its operating cash flows 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's key cash outflows under Operating Activities in the quarter were research and development (R&D) of $939k and administration and corporate costs of $484k.

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 $141k. The payment relates to CEO compensation and Directors fees paid during the quarter.

Update to clinical trials program

Invion is on track to commence its Phase 1 adaptive platform protocol (APP) clinical trial on non-melanoma skin cancers (NMSC) before the end of calendar year (CY) 2023. The Company plans to submit its application to the Human Research Ethics Committee (HREC) before year end, which will mark the official start of the trial with recruitment and treatment of patients occurring from CY2024.

Further to consultations with its expert advisors and research partners, Invion anticipates that the anogenital cancer trial can proceed to a Phase 1b/2 trial, subject to the Phase 1 NMSC trial meeting its primary safety endpoints via the APP design.

This is because the topical formulation of Invion's photosensitising agent is similar for the treatment of both cancer types. As such, Invion believes it can undertake the Phase 1b/2 trial for anogenital cancers, in the second half of CY2024 or first half of CY2025, once it has sufficient safety data from the Phase 1 NMSC trial.

Further, Invion is aiming to commence two other Phase 1 trials in CY2024. One is for a solid tumour using an intravenous (IV) formation of its drug and another for oral microbial diseases. It is estimated that around 3.5 billion people worldwide suffer from oral diseases, according to the World Health Organization[1].

All cancer-related clinical trials in Australia, such as those described in this section, are fully funded by RMW and Invion will provide further updates on its clinical trial program in due course.

R&D activities during the quarter

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

During the quarter, Invion expanded its existing Photosoft perpetual licence and distribution rights for cancer indications to the territory of South Korea, as announced to the market on 25 September 2023. The agreement will enhance shareholder value and comes at an opportune time for Invion as it looks to commence several clinical trials, as detailed in the section above.

South Korea represents a new and significant opportunity to Invion with its oncology drugs market forecast to grow to US$7.4 billion by 2030, which represents a compound annual growth rate (CAGR) of 12.6% (2022-2030), according to a report by market research firm, Insights10[2].

Meanwhile, a new Australian patent for Photosoft, which includes the lead compound INV043, was granted in the quarter (Australian Patent No. 2021388872, "Photodynamic therapy and diagnosis"). This patent builds upon previously granted patents to the technology in Australia and other territories that Invion has exclusive rights to.

The new patent extends the intellectual property (IP) protection for Photosoft for around another two decades until at least late 2041, with the original patents set to expire in 2033, and strengthens the IP protection as Invion prepares to commence its clinical trials.

Investing & Financing activities

Invion recorded a cash outflow of $0.9 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 all cancer indications.

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

The Company believes its cash position of over $3.4 million (with no debt) and its funding arrangement with RMW will enable it to pursue its current development agenda.

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

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[1] https://www.who.int/news-room/fact-sheets/detail/oral-health

[2] https://www.insights10.com/report/south-korea-oncology-drugs-market-analysis/

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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 2023

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (3 months) $A'000**
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	1,600	1,600
1.2	Payments for		
	(a) research and development	(939)	(939)
	(b) product manufacturing and operating costs	-	-
	(c) advertising and marketing	-	-
	(d) leased assets	-	-
	(e) staff costs	-	-
	(f) administration and corporate costs	(484)	(484)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	29	29
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**	**206**	**206**

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	(900)	(900)
	(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter $A'000	Year to date (3 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**	**(900)**	**(900)**

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	4,085	4,085
4.2	Net cash from / (used in) operating activities (item 1.9 above)	206	206
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(900)	(900)

Consolidated statement of cash flows		Current quarter $A'000	Year to date (3 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**	**3,391**	**3,391**

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	1,891	2,085
5.2	Call deposits	1,500	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)**	**3,391**	**4,085**

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	141
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)	206
8.2	Cash and cash equivalents at quarter end (item 4.6)	3,391
8.3	Unused finance facilities available at quarter end (item 7.5)	-
8.4	Total available funding (item 8.2 + item 8.3)	3,391
8.5	**Estimated quarters of funding available (item 8.4 divided by item 8.1)**	16.46

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: 24 October 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.