ACTIVITY REPORT AND CASH FLOW REPORT
FOR THE QUARTER ENDED 31 DECEMBER 2023

Highlights:

- **Invion completes lodgement of the clinical trial application with the Human Research Ethics Committee (HREC);**
- **Invion is using an adaptive trial design for greater flexibility to incorporate dose optimisation and efficacy signal endpoints, on top of safety data, in its Phase I/II non-melanoma skin cancer (NMSC) trial;**
- **First patient recruitment is expected in the coming months (subject to HREC approval);**
- **Separately, in the oral antimicrobial space, Invion is focusing on periodontal diseases, which represent a significant unmet need.**

MELBOURNE (AUSTRALIA) 30 January 2024: Invion Limited (ASX: IVX) ("Invion" or the "Company") wishes to provide the following update and Appendix 4C for the quarter ended 31 December 2023 (2QFY24).

Summary of cash position and expenditure during the quarter

The Company held cash reserves at the end of the quarter of $1.9 million, compared with $3.4 million for 1QFY24.The decline is largely driven by net operating cash outflow of $1.5 million during the quarter.

Invion remains funded through its research and development (R&D) services agreement with RMW Cho Group (RMW), the licensor of the Photosoft™ technology, 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 R&D of $1.1 million and administration and corporate costs of $404k.

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 $139k. The payment relates to CEO compensation and Directors fees paid in the period.

Progress on clinical trials program

Invion achieved several key milestones in the December 2023 quarter as it executes on its clinical trial plan. This included the manufacturing of INV043, Invion's lead drug candidate, at IDT Australia Limited (ASX: IDT) under Good Manufacturing Practice (GMP) standards. This ensures Invion is well placed to undertake current and future clinical trials to treat cancers.

Further, Invion submitted its Human Research Ethics Committee (HREC) application for the Phase I/II non-melanoma skin cancer (NMSC) clinical trial on 21 December 2023 and is looking to partner with Veracity Clinical Research (Veracity) in Queensland to conduct the trial.

The ethics submission is a major milestone in the regulatory process within Australia. Once approved, the Therapeutic Goods Administration (TGA) is notified, generating a Clinical Trial Notification (CTN), which is required to commence patient recruitment planned from early 2024 (subject to HREC approval).

"*This marks the beginning of an important chapter in our journey in our first clinical trial that will target non-melanoma skin cancers. The skin cancer market is forecast to hit US$14.6 billion by 2032*[1] *and Australia has the highest incidence of the disease globally*[2]*. INV043 has the potential to offer a superior treatment option as it may prove to be as effective as surgery but without causing scarring or pain,*" said Invion's Executive Chair and Chief Executive Officer, Thian Chew.

"*With INV043 protected by a patent recently granted in Australia, we are in a strong position to advance our clinical trial program.*"

Invion is proposing to use an adaptive trial design with a topical ointment, subject to HREC approval, which will give the Company increased flexibility in running the trial on cutaneous Squamous Cell Carcinoma (cSCC) and superficial Basal Cell Carcinoma (sBCC) skin cancers, which account for over 98% of all skin cancers[3].

As a result of the adaptive design, this clinical trial may go beyond a typical Phase I trial scope as the trial results will not only include safety data but may also include dose optimisation as well as efficacy signals. Invion also has the ability to adjust the scope from a smaller to a larger trial size depending on progressive findings and their relevance to prevailing objectives.

Further, Invion has taken the approach of using INV043 manufactured under Good Manufacturing Practice (GMP) in the formulation of the topical ointment, which is a higher quality level than is required for Australian Phase I trials.

"*This is a significant step in advancing INV043, which we believe has the potential to provide new options for treating multiple cancers," said Mr Chew.*

"*We have demonstrated efficacy of INV043 to treat different cancer types in pre-clinical studies, and the transition into the treatment of people suffering from NMSCs is very exciting for Invion and its shareholders.*"

Update on Oral Microbial Opportunities

In a separate development during the quarter, Invion decided to focus on periodontal diseases as it explores opportunities in the oral antimicrobial space. The Company believes periodontal diseases are a more commercially attractive market for the Photosoft™ technology as opposed to other antimicrobial applications, particularly in the United States, which is an exclusive territory for Invion (under infectious diseases).

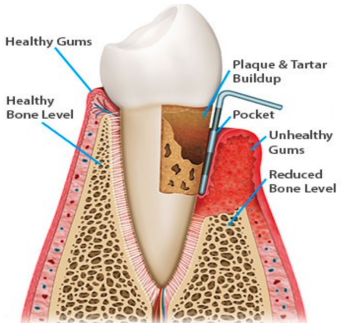
Around 19% of adults, or over one billion adults, world-wide suffer from severe periodontal diseases[4]. These incidences are often related to tooth implant procedures where many patients pay out-of-pocket for treatments.

Further, periodontists are looking for alternative treatments to surgery and antibiotics to deal with infections, which are common following such procedures.

[1] https://www.precedenceresearch.com/melanoma-therapeutics-market
[2] https://www.statista.com/statistics/1032114/countries-with-the-greatest-rates-of-skin-cancer/
[3] https://www.cancer.net/cancer-types/skin-cancer-non-melanoma/introduction
[4] https://www.who.int/news-room/fact-sheets/detail/oral-health

ASX ANNOUNCEMENT

Twenty percent of implant patients suffer from peri-implantitis, which if left untreated leads to implant loss[5]



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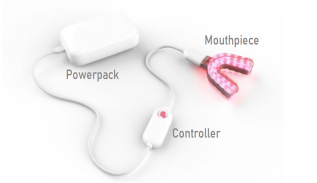

Illustrative concept

What Periodontists are looking for

- Alternatives to antibiotic therapy
- Tackling the menace of biofilms
- Non-surgical access to deep periodontal pockets
- Comfortable and effective treatment options for patients
- Ensuring longevity of costly tooth implants

Investing & Financing activities

Invion did not record any cash movements from its Investing and Financing Activities in the quarter.

The Company believes its cash position of over $1.9 million (with no debt) and its funding arrangement with RMW will enable it to pursue its current development agenda. Further, Invion is currently assessing potential collaborations with partners, as well as other financing discussions to facilitate funding the upcoming clinical trials and operations.

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

[5] https://pubmed.ncbi.nlm.nih.gov/28478213/

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	31 December 2023

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (6 months) $A'000**
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	-	1,600
1.2	Payments for		
	(a) research and development	(1,068)	(2,007)
	(b) product manufacturing and operating costs	-	-
	(c) advertising and marketing	-	-
	(d) leased assets	-	-
	(e) staff costs	-	-
	(f) administration and corporate costs	(404)	(888)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	22	51
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**	**(1,450)**	**(1,244)**

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)
	(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter $A'000	Year to date (6 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)**

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	3,391	4,085
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1450)	(1,244)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	(900)

Consolidated statement of cash flows		Current quarter $A'000	Year to date (6 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**	**1,941**	**1,941**

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	941	1,891
5.2	Call deposits	1,000	1,500
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)**	**1,941**	**3,391**

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	139
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)	(1,450)
8.2	Cash and cash equivalents at quarter end (item 4.6)	1,941
8.3	Unused finance facilities available at quarter end (item 7.5)	-
8.4	Total available funding (item 8.2 + item 8.3)	1,941
8.5	**Estimated quarters of funding available (item 8.4 divided by item 8.1)**	1.34

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?

Invion recorded a higher than usual level of expenses, which are related to its upcoming clinical trials. This includes the successful manufacturing of INV043 drug substance under Good Manufacturing Practice (GMP) compliant manufacturing process, which was announced on 21 November 2023. It also completed its preclinical work required for the upcoming non-melanoma skin cancer clinical trial, prompting larger than usual payments to vendors for the balance of various contracted work. Invion is currently awaiting Human Research Ethics Committee approvals to move forward with its upcoming clinical trial programs, and until recruitment of patients occurs for upcoming clinical trials, the entity expects a significant reduction in the level of operating activity with a commensurate reduction in net operating cashflows.

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?
	Invion has an R&D services agreement with the technology licensor, RMW Cho Group (RMW), and all cancer-related research expenses in Australia and New Zealand are reimbursed by RMW. Fluctuations in Operating Cash Flows are impacted by the timing of receipts and payments. Further, Invion continues to assess potential collaborations to cover any possible future funding shortfall that may not be covered by the R&D services agreement. The Company believes it is well positioned to raise additional cash under at least one of these scenarios. Further, there is significant flexibility to delay or scale down activity and expenditure to ensure alignment to its prevailing cash positions, if and as required.
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?
	Yes, the entity expects to be able to continue to meet its operations and meet its business objectives as a result of the actions contemplated in items 8.8.1 and 8.8.2 above.

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: 30 January 2024

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.