

**ACTIVITY REPORT AND CASH FLOW REPORT
FOR THE QUARTER ENDED 30 JUNE 2024**

Highlights:

- **Invion secured an institutional placement of up to \$6.8M to give it increased flexibility to pursue its cancer and infectious diseases programs**
- **Invion signed a collaboration agreement with major South Korean pharma Hanlim, to fund pre-clinical studies using INV043 on glioblastoma (a type of brain cancer)**
- **Resubmitted ethics application for the Ph I/II skin cancer trial to address Human Research Ethics Committee (HREC) issues**
- **Decision on new application expected in the near future with patient recruitment now expected to commence later this calendar year**
- **Expanded patent portfolio with 15 filed patent families in various stages of prosecution and one patent covering INV043 was recently published in Hong Kong**

MELBOURNE (AUSTRALIA) 30 July 2024: Invion Limited (ASX: IVX) ("**Invion**" or the "**Company**") wishes to provide the following update and Appendix 4C for the quarter ended 30 June 2024 (**4QFY24**).

Summary of cash position and expenditure during the quarter

The Company held cash reserves at the end of the quarter of \$784K, compared with \$1.4 million for 3QFY24. The decline is largely driven by a net operating cash outflow of \$588K and does not include the benefit from the \$2.4 million to \$6.8 million institutional placement, which was announced to the market at the end of June.

Invion has already received \$1.2 million (net of costs) from New York-based investment manager, The Lind Partners (**Lind**), early this month and more details are provided in the section below.

The share placement to Lind is separate to and independent from the research and development (**R&D**) services agreement with RMW Cho Group (**RMW**), the licensor of the Photosoft™ technology.

Invion's key cash outflows under Operating Activities in the quarter were R&D costs of \$315K and administration and corporate costs of \$276k.

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 \$48k. The payment relates to CEO compensation and Directors fees paid in the period.

Key developments in the quarter

During the quarter, Invion signed an agreement with major South Korean pharmaceutical group, Hanlim Pharma Co., Ltd. (**Hanlim**), secured funding of up to \$6.8 million via an institutional placement and continued to work towards securing Human Research Ethics Committee (HREC) approval for its Phase I/II non-melanoma skin cancer (**NMSC**) trial. More details are outlined below.

Hanlim Agreement

Invion is collaborating with Hanlim to develop Invion's lead drug candidate, INV043, for the treatment of glioblastoma multiforme (**GBM**), which is a primary brain malignancy with a poor

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prognosis. Under the agreement, Hanlim will undertake and fund the evaluation including Proof-of-Concept (**PoC**) studies, while Invion retains all rights to the technology and to any new intellectual property resulting from the collaboration.

Invion and Hanlim are currently working with Seoul St. Mary's Hospital, one of South Korea's most prestigious hospitals, to design the proposed *in vitro* and *in vivo* trials.

Institutional Placement

Invion secured a \$2.4 million to \$6.8 million investment from Lind, a New York-based fund manager. The Company received \$1.2 million in upfront payments (net of costs) on 5 July and will be provided \$100,000 monthly instalments, which may be increased by mutual agreement to \$500,000 per month, over a 12-month period.

The funds raised will provide Invion with greater financial flexibility as it pursues its development programs across cancers and infectious diseases.

Skin Cancer Trial

Invion resubmitted its ethics application for its Phase I/II NMSC trial to address HREC issues on the original application. A decision on the second application is expected in the near future.

The delay means that patient recruitment for its NMSC trial is expected to commence later this calendar year.

Anogenital cancer

Professor Robert Ramsay from the Peter MacCallum Cancer Centre presented the results of the anogenital squamous cell carcinoma *in vivo* trial using INV043, which showed 80% complete pathological response in mice, to the Australasian Gastro-Intestinal Trials Group (**AGITG**). The AGITG has expressed interest in exploring collaboration opportunities with Invion.

HPV Partner Update

Following the signing of the collaboration agreement with Dr.inB where Dr.inB will undertake and fund PoC trials using Photosoft™ for the Human Papilloma Virus (**HPV**), Invion has shipped various Photosoft compounds to Dr.inB for testing.

Licensed Patent portfolio has expanded

Invion now has access to 15 filed patent families in various stages of prosecution as part of the licence with RMW Cho. The patent covering INV043 has recently been published in Hong Kong, a territory licenced to Invion. Not only does the broad patent portfolio cover INV043, but the portfolio also provides coverage for additional cancer therapeutics, as well as compounds for infectious disease.

Commenting on the latest quarterly activities, Invion's Executive Chair and Chief Executive Officer, Thian Chew, said:

"The activity in the quarter has laid the foundations for us to achieve multiple key milestones in our cancers and infectious diseases programs over the coming year and beyond. While the delay in our Phase I/II skin cancer trial has taken longer than expected, we anticipate material updates in the near future.

"Notwithstanding this, Invion's prior efforts has created a portfolio of several hundred discrete Photosoft compounds targeting a wide range of cancers and infectious diseases. This has resulted in a pipeline of photodynamic compounds enabling multiple commercialisation avenues."

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Investing & Financing activities

Invion recorded a \$15K cash outflow from Financing Activities relating to legal costs associated with negotiating the institutional placement agreement with Lind, and did not record any cash movements from its Investing Activities in the quarter.

The Company believes that its cash position, funding agreements and collaboration partnerships outlined above will enable it to pursue its current development agenda.

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 2024

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	-	1,600
1.2 Payments for		
(a) research and development	(315)	(2,588)
(b) product manufacturing and operating costs	-	-
(c) advertising and marketing	-	-
(d) leased assets	-	-
(e) staff costs	-	-
(f) administration and corporate costs	(276)	(1,462)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	3	64
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	(588)	(2,386)
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 (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	-	(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	(15)	(15)
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	(15)	(15)

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	1,387	4,085
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(588)	(2,386)
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 (12 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(15)	(15)
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	784	784

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	784	887
5.2	Call deposits	-	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)	784	1,387

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	48
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)	(588)
8.2	Cash and cash equivalents at quarter end (item 4.6)	784
8.3	Unused finance facilities available at quarter end (item 7.5)	-
8.4	Total available funding (item 8.2 + item 8.3)	784
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1)	1.33
	<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?	
	Invion is currently preparing for its upcoming clinical trials. Invion is currently awaiting Human Research Ethics Committee approval 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 historical level of operating activity with a commensurate reduction in net operating cashflows. Furthermore, a financing was accounted per 8.6.2, and funding received in early July.	

- 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?

Yes. As announced on ASX on 28 June 2024, the Company secured a minimum of \$2.4m and up to \$6.8m investment by US institutional investor, The Lind Partners. As part of the first tranche of the investment, the company issued 180 million shares for a net proceed of \$1.2 million with ongoing monthly tranches of \$100,000 for the next 12 months, which may be increased to up to \$500,000 based on mutual agreement. The funds were received on 5 July 2024. With the receipt of the funds the Company believes that it can continue its operations successfully. Funds raised will provide Invion with greater financial flexibility as it pursues multiple development programs across a range of cancers and infectious diseases.

- 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 Company expects to be able to continue its operations and meet its business objectives based on the answer to question 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 July 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.