ASX ANNOUNCEMENT

ACTIVITY REPORT AND CASH FLOW REPORT
FOR THE QUARTER ENDED 31 MARCH 2024

Highlights:

- **Operating expenses decline significantly as Invion cycles through one-off payments in the previous quarter relating to its upcoming Ph I/II clinical trial**
- **Invion announced positive *in vivo* results from study undertaken by Peter Mac on INV043 when used in combination with blockbuster ICIs**
- **The Company signs collaboration agreement with South Korean company, Dr.inB, who will fund development Photosoft technology including PoC human trials on HPV**
- **Ph I/II skin cancer trial is expected to start patient recruitment in coming months despite slower than expected processing of Invion's ethics application**

MELBOURNE (AUSTRALIA) 30 April 2024: Invion Limited (ASX: IVX) ("**Invion**" or the "**Company**") wishes to provide the following update and Appendix 4C for the quarter ended 31 March 2024 (**3QFY24**).

Summary of cash position and expenditure during the quarter

The Company held cash reserves at the end of the quarter of $1.4 million, compared with $1.9 million for 2QFY24. The decline is driven by a net operating cash outflow of $554K, which is a significant decline from the previous quarter, which had a number of one-off payments relating to its upcoming Phase I/II skin cancer clinical trial.

Invion remains funded through its research and development (**R&D**) services agreement with RMW Cho Group (**RMW**), the licensor of the Photosoft™ technology.

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 operating cash flows are influenced by the timing of payments and receipt of reimbursement funds from RMW. Invion's key cash outflows under Operating Activities in the quarter were administration and corporate costs of $298k and R&D costs of $266K, which are to be reimbursed to Invion by RMW in addition to receivables accrued as at 31 December 2023.

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.

Key developments in the quarter

During the quarter, Invion was excited to release the positive findings from a study by the Peter MaCallum Cancer Centre (**Peter Mac**) on the effect of INV043, when used in combination with an immune checkpoint inhibitor (**ICI**) therapy.

ICIs are a type of immunotherapy and is the standard of care for the treatment of several cancers. Despite widespread use of ICIs, the patient response rate can be as low as12.5%[1].

[1] https://jamanetwork.com/journals/jamanetworkopen/fullarticle/2762389

The key findings from the *in vivo* study using immune competent mouse models with anal squamous cell carcinomas (**ASCC**) include:

- The combination therapy using INV043 with ICIs led to ~80% control of ASCC tumours at the study endpoint, compared with ICI therapy alone, which achieved ~12% control.
- The results were statistically significant (p=0.0037).
- The mice under combination treatment maintained a healthy weight while under treatment and no negative side effects from the combination therapy were noted.

The Peter Mac study independently validates Proof of Concept (**PoC**) research conducted at the Hudson Institute of Medical Research (Hudson Institute) in 2022 where an improvement of approximately 65% in tumour size was achieved in mice implanted with triple negative breast cancer tumours and treated in combination with INV043 intratumorally when compared to an ICI alone[2].

In another significant development, Invion signed a collaboration agreement with South Korean company, Dr. I&B Co., Ltd. (**Dr.inB**), to develop Photosoft™ for the treatment of the Human Papilloma Virus (**HPV**).

Under the agreement, Dr.inB will fund the development program up to and including PoC clinical trials to test the safety and efficacy of the Photosoft technology in HPV patients at gynaecology clinics in South Korea. Invion will supply the Photosoft compounds to Dr.inB and the Company retains all rights and benefits to Photosoft, including new Intellectual Property (**IP**) that may arise out of this collaboration.

The agreement was signed after Dr.inB assessed data that showed Photosoft compounds demonstrated potent antiviral activity against multiple viruses, including Zika, Dengue and SARS-CoV-2 (Omicron and Delta variants) *in vitro*.

Meanwhile, Invion is awaiting the outcome of its Human Research Ethics Committee (**HREC**) application for its Phase I/II non-melanoma skin cancer (**NMSC**) clinical trial.

While the application is taking longer than the Company had originally expected and has no control over the process, Invion believes it should be in a position to commence patient recruitment in the coming months (subject to Invion receiving ethics approval).

Invion has continued it Australian and global engagement with potential partners and investors. This includes presentations at the BioCentury-BayHelix East-West Summit and the Asia Bio Partnering Forum by Invion's Executive Chair and Chief Executive Officer, Thian Chew, in the past quarter.

"Invion has made a strong start to 2024 and the ground work we have invested in over the past few years has allowed us to secure a collaboration agreement with Dr.inB and given us additional validation in the potential of the Photosoft technology as we enter our clinical trial phase of development across multiple indications," said Mr Chew.

"What is also pleasing is the interest we are getting from international biopharma groups when we present our pre-clinical results. The Dr.inB collaboration highlights a program that will develop and commercialise a new application of Photosoft technology beyond INV043 for cancer, without incremental funding from Invion. We will continue to explore international partnership opportunities."

[2] https://announcements.asx.com.au/asxpdf/20220530/pdf/459ffkjbvdpjrg.pdf

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 $1.4 million (with no debt), its funding arrangement with RMW and its collaboration agreement with Dr.inB will enable it to pursue its current development agenda.

Further, Invion is assessing potential collaborations with other partners, as well as alternative financing discussions to facilitate the funding of 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 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 March 2024

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (9 months) $A'000**
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	-	1,600
1.2	Payments for		
	(a) research and development	(266)	(2,273)
	(b) product manufacturing and operating costs	-	-
	(c) advertising and marketing	-	-
	(d) leased assets	-	-
	(e) staff costs	-	-
	(f) administration and corporate costs	(298)	(1,186)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	10	61
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**	**(554)**	**(1,798)**
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 (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)	-	-
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	1,941	4,085
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(554)	(1,798)
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 (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	**Cash and cash equivalents at end of period**	**1,387**	**1,387**

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	887	941
5.2	Call deposits	500	1,000
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)**	**1,387**	**1,941**

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)	(554)
8.2	Cash and cash equivalents at quarter end (item 4.6)	1,387
8.3	Unused finance facilities available at quarter end (item 7.5)	-
8.4	Total available funding (item 8.2 + item 8.3)	1,387
8.5	**Estimated quarters of funding available (item 8.4 divided by item 8.1)**	2.50

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: 30 April 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.