

## ACTIVITIES REPORT AND APPENDIX 4C FOR THE QUARTER ENDED 30 JUNE 2020

**MELBOURNE (AUSTRALIA) 29 July 2020:** Invion Limited (ASX: IVX) ("Invion" or "Company") is pleased to provide its Activities Report and Appendix 4C for the quarter ending 30 June 2020.

### Summary of cash position and expenditure during the quarter

The Company held cash reserves at the end of the quarter of \$0.619 million, with a net cash inflow relating to operating activities during the quarter of \$0.206 million. Primary areas of expenditure during the quarter were R&D activities (\$0.473 million) and administration and corporate costs including staff salaries (\$0.338 million).

Invion holds the Australia and New Zealand license rights to the Photosoft™ technology. Research and clinical trials are funded by the technology licensor, RMW Cho Group Limited, via an R&D services agreement with the Company. Fluctuations in cash position are due to the timing of payments and receipts.

As detailed in Item 6.1 of the accompanying Appendix 4C, the Company discloses that the aggregate amount of payments to related parties and their associates during the June quarter totalled \$60,000 and comprised fees and superannuation to directors.

### R&D activities during the quarter

The Company's R&D activities during the quarter were directed to furthering the development of the Photosoft™ technology for the treatment of a range of cancers. During the quarter the Company made further progress in the development of a suite of improved Active Pharmaceutical Ingredients (APIs), targeted to be more effective than existing Photosoft technology APIs.

Initial laboratory studies indicate that a number of the new lead APIs may have greater anti-cancer activity than the APIs previously developed. Early signals indicate that the new APIs may also prove more effective at targeting specific cancers and more actively taken up by certain cancer cells.

Invion will continue its work with research partners, Hudson Institute of Medical Research and the Peter MacCallum Cancer Centre, undertaking animal efficacy studies in various cancer types.

### Additional activities during the quarter

During the quarter Invion's wholly-owned subsidiary, EpiTech Dermal Science Pty Ltd (Epitech), signed a Manufacturing and Supply Agreement with Guilin Pavay Biotechnology Co., Ltd (Pavay). Epitech has commenced supplying a small amount of Australian-made photoactive ingredient to Pavay, which will be used in test-marketing a new line of dermatological products in China. During the quarter, Epitech received a \$250,000 upfront payment following the signing of its R&D Services Agreement with Pavay.

## ASX ANNOUNCEMENT

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### **Investor enquiries**

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### **About Invion**

Invion is a life-science company that is leading the global research and development of Photosoft™ technology for the treatment of a range of cancers. Invion holds the Australia and New Zealand license rights to the Photosoft™ technology. Research and clinical trials are funded by the technology licensor, RMW Cho Group Limited, via an R&D services agreement with the Company. Invion is listed on ASX (ASX:IVX). This announcement was approved for release by Craig Newton, MD & CEO. For further information please contact [investor@inviongroup.com](mailto:investor@inviongroup.com).

### **About Photodynamic Therapy (PDT)**

Invion is developing Photosoft™ technology as an improved next generation Photodynamic Therapy. PDT uses non-toxic photosensitisers and visible light in combination with oxygen to produce cytotoxic-reactive oxygen that kills malignant cells, shuts down tumours and stimulates the immune system. A potential alternative to surgery, and in contrast to radiotherapy and chemotherapy which are mostly immunosuppressive, PDT causes acute inflammation, expression of heat-shock proteins, and invasion and infiltration of a tumour by leukocytes.

## Appendix 4C

### Quarterly cash flow report for entities subject to Listing Rule 4.7B

**Name of entity**

INVION LIMITED

**ABN**

76 094 730 417

**Quarter ended ("current quarter")**

30 June 2020

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (12 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	1,012	3,537
1.2 Payments for		
(a) research and development	(473)	(2,033)
(b) product manufacturing and operating costs	-	-
(c) advertising and marketing	-	-
(d) leased assets	-	-
(e) staff costs	(98)	(685)
(f) administration and corporate costs	(338)	(1,132)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	1	1
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	102	160
1.8 Other (provide details if material)	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>206</b>	<b>(152)</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	-	-
(d) investments	-	-
(e) intellectual property	-	-

**Appendix 4C**  
**Quarterly cash flow report for entities subject to Listing Rule 4.7B**

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (12 months) \$A'000</b>
(f) other non-current assets		
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)	-	-
<b>2.6 Net cash from / (used in) investing activities</b>	<b>-</b>	<b>-</b>

<b>3. Cash flows from financing activities</b>		
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)	-	-
<b>3.10 Net cash from / (used in) financing activities</b>	<b>-</b>	<b>-</b>

<b>4. Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1 Cash and cash equivalents at beginning of period	420	771
4.2 Net cash from / (used in) operating activities (item 1.9 above)	208	(152)

**Appendix 4C**  
**Quarterly cash flow report for entities subject to Listing Rule 4.7B**

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (12 months) \$A'000</b>
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-
4.5	Effect of movement in exchange rates on cash held	(7)	-
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>619</b>	<b>619</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	619	420
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>619</b>	<b>420</b>

**6. Payments to related parties of the entity and their associates**

- 6.1 Aggregate amount of payments to related parties and their associates included in item 1
- 6.2 Aggregate amount of payments to related parties and their associates included in item 2

<b>Current quarter \$A'000</b>
60
-

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.*

- 7.1 Loan facilities
- 7.2 Credit standby arrangements
- 7.3 Other (please specify)
- 7.4 **Total financing facilities**

<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
-	-
-	-
-	-
-	-

**7.5 Unused financing facilities available at quarter end**

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- 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)	619
8.3	Unused finance facilities available at quarter end (Item 7.5)	-
8.4	Total available funding (Item 8.2 + Item 8.3)	619
8.5	<b>Estimated quarters of funding available (Item 8.4 divided by Item 8.1)</b>	<b>3.00</b>

- 8.6 If Item 8.5 is less than 2 quarters, please provide answers to the following questions:

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

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

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

## 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: 29 July 2020

Authorised by: Craig Newton, CEO  
(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.