

FIRST HALF RESULTS AND BUSINESS UPDATE

Highlights:

- Invion registered 14.5% increase in revenue and 14% decrease in net losses compared to previous corresponding period.
- Invion achieves key regulatory milestone with its ethics submission in 1HFY24 for its Phase I/II skin cancer trial
- Successfully manufactured lead drug candidate, INV043, under Good Manufacturing Practice (GMP) standards
- Expanded exclusive rights for cancer indications to South Korea in the period
- Photosoft™, including INV043, granted Australian patent which builds on previously granted patents
- South Korean biotech, Dr.inB, signs agreement to fund and undertake evaluation studies and Proof-of-Concept human trials to develop Photosoft for the treatment of the Human Papilloma Virus (HPV), while Invion retains all rights to Photosoft
- Opportunity for Invion to leverage expertise from Stanford Medicine after Invion's Executive Chair, Thian Chew, was appointed to the advisory board of its centre focused on Asian health (CARE)

MELBOURNE (AUSTRALIA) 28 February 2024: Invion Limited (ASX: IVX) ("Invion" or the "Company") is pleased to present its Appendix 4D half year results for the period ended 31 December 2023 (1HFY24).

The Company recorded an interim revenue of \$2.2 million compared with \$1.9 million in the previous corresponding period and a net loss after tax of \$714K vs. a net loss of \$831K in 1HFY23.

Importantly, Invion made significant progress in advancing its clinical trial program in 1HFY24. This included submitting its Human Research Ethics Committee (HREC) application for the Phase I/II non-melanoma skin cancer (NMSC) clinical trial on 21 December 2023, which marked 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) in Queensland.

Further, Invion successfully manufactured its lead drug candidate, INV043, at IDT Australia Limited's (ASX: IDT) facilities under Good Manufacturing Practice (GMP) standards. This ensures Invion is well placed to undertake current and future clinical trials to treat cancers.

To ensure Invion is well placed to capitalise on the success of Photosoft™, it expanded the perpetual exclusive licence and distribution rights to the technology for cancer indications to the territory of South Korea. As a result, Invion has exclusive rights to Photosoft for the treatment of cancers for all Asia Pacific countries excluding China (other than Hong Kong, which is included), Macau, Taiwan and Japan.

In another positive development in the period, an Australian patent was granted for Photosoft, which includes INV043, ahead of Invion's NMSC clinical trial. This patent builds on 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

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around another two decades until at least late 2041, with the original patents set to expire in 2033.

Subsequent to the end of the financial half year, Invion announced 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**).

Dr.inB will fund and undertake evaluation studies, including in-human Proof-of-Concept (**PoC**) clinical trials in South Korea. Invion retains all benefits and rights to the Photosoft technology, including new Intellectual Property (IP) that may arise out of this collaboration. It is envisaged that both parties could negotiate a commercial agreement if the evaluation and PoC trials are successful.

This agreement was reached 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*.

Opportunities for Collaboration with Stanford Medicine

The Stanford Center for Asian Health Research and Education (**CARE**) appointed Invion's Executive Chairman and Chief Executive Officer, Thian Chew, to its Advisory Board for a three-year term commencing 13 February 2024.

The appointment will present opportunities for Invion to leverage on Stanford University's medical expertise as the Company looks to undertake a series of clinical trials following its NMSC trial.

"It is truly a privilege to be among CARE's first international Advisory Board members and I am delighted to contribute to CARE's mission, which will include exploring collaborations between academia and industry", said Mr. Chew.

"The potential to translate Stanford CARE's renowned expertise in precision Asian health into clinically relevant research that will have an impact on the unmet needs in Asian health is a particularly exciting calling."

Invion owns the exclusive rights to the Photosoft technology covering most of Asia Pacific. CARE's mission is to address the differences and significant health disparities in Asian health while improving the precision health of Asians globally.

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 Hong Kong and the rest of Asia Pacific, excluding China, Macau, Taiwan and Japan, to the Photosoft technology for all cancer indications. It also holds the exclusive rights to the technology in Asia and Oceania, excluding China, Hong Kong, Taiwan, Macau, the Middle East and Russia for atherosclerosis and infectious diseases, and subsequently acquired the rights to the United States, Canada and Hong Kong for infectious diseases. Research and clinical cancer trials are funded by the technology licensor, RMW Cho Group Limited. Invion is listed on the ASX (ASX: IVX).

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. PDT has also demonstrated broad-spectrum activity across multiple infectious diseases, including bacteria, fungi and viruses. Photosoft has the potential to address the global challenge of antibiotic-resistant "superbugs".

Invion Limited
Appendix 4D
Half-year report

1. Company details

Name of entity:	Invion Limited
ABN:	76 094 730 417
Reporting period:	For the half-year ended 31 December 2023
Previous period:	For the half-year ended 31 December 2022

2. Results for announcement to the market

			\$
Revenues from ordinary activities	up	14.5% to	2,228,435
Loss from ordinary activities after tax attributable to the owners of Invion Limited	down	14.0% to	(714,173)
Loss for the half-year attributable to the owners of Invion Limited	down	14.0% to	(714,173)

Dividends

There were no dividends paid, recommended or declared during the current financial period.

Comments

The loss for the consolidated entity after providing for income tax amounted to \$714,173 (31 December 2022: \$830,705).

3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	0.06	0.08

4. Control gained over entities

Not applicable.

5. Loss of control over entities

Not applicable.

6. Dividends

Current period

There were no dividends paid, recommended or declared during the current financial period.

Previous period

There were no dividends paid, recommended or declared during the previous financial period.

7. Dividend reinvestment plans

Not applicable.

8. Details of associates and joint venture entities

Not applicable.

9. Foreign entities

Details of origin of accounting standards used in compiling the report:

Not applicable.

10. Audit qualification or review

Details of audit/review dispute or qualification (if any):

The financial statements were subject to a review by the auditors and the review report is attached as part of the Half year ended.

11. Attachments

Details of attachments (if any):

The Half year ended of Invision Limited for the half-year ended 31 December 2023 is attached.

12. Signed

Signed



Thian Chew
Chairman

Date: 28 February 2024

Invion Limited

ABN 76 094 730 417

Half year ended - 31 December 2023

Invion Limited
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31 December 2023

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Invion Limited
Corporate directory
31 December 2023

Directors

Mr Thian Chew, (Executive Chairman and CEO)
Mr Alan Yamashita, Non-executive Director
Mr Rob Merriel, Non-executive Director
Mr Alistair Bennallack, Non-executive Director

Company secretary

Claire Newstead-Sinclair

Australia Business Number

76 094 730 417

Registered office

Level 4, 100 Albert Road, South Melbourne Vic 3205 Australia
P: (03) 8618 6843
E: investor@inviongroup.com
W: www.inviongroup.com

Share register

Link Market Service Limited
Locked Bag A14, Sydney South NSW 1235 Australia
P: 1300 554 474
F: (02) 9287 0303
W: www.linkmarketservices.com.au

Auditor

William Buck
Level 20, 181 William Street
Melbourne VIC 3000

Stock exchange listing

Invion Limited shares are listed on the Australian Securities Exchange (ASX code: IVX)

Invion Limited
Directors' report
31 December 2023

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of Invion Limited (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled at the end of, or during, the half-year ended 31 December 2023.

Directors

The following persons were directors of Invion Limited during the whole of the financial half-year and up to the date of this report, unless otherwise stated:

Mr Thian Chew, Chairman and CEO
Mr Alan Yamashita, Non-executive Director
Mr Rob Merriel, Non-executive Director
Mr Alistair Bennallack, Non-executive Director

Review of operations

The loss for the consolidated entity after providing for income tax amounted to \$714,173 (31 December 2022: \$830,705).

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.

The Company made significant progress in advancing its clinical trial program in 1HFY24. 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).

Further, successfully manufactured its lead drug candidate, INV043, at IDT Australia Limited's (ASX: IDT) facilities under Good Manufacturing Practice (GMP) standards. This ensures Invion is well placed to undertake current and future clinical trials to treat cancers.

To ensure Invion is well placed to capitalise on the success of Photosoft™, it expanded the perpetual exclusive licence and distribution rights to the technology for cancer indications to the territory of South Korea. Invion has exclusive rights to Photosoft™ for the treatment of cancers for all Asia Pacific countries excluding China (other than Hong Kong, which is included), Macau, Taiwan and Japan.

In another positive development in the period, an Australian patent was granted for Photosoft™, which includes INV043, ahead of Invion's NMSC clinical trial. 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.

The Company held a cash balance of \$1.94 million on 31 December 2023, which would enable funding of its share of the development work in the foreseeable future for atherosclerosis, infectious diseases and cancers that are not covered by existing funding arrangements with RMW Cho Group.

Significant changes in the state of affairs

There were no significant changes in the state of affairs of the consolidated entity during the financial half-year.

Matters subsequent to the end of the financial half-year

Subsequent to the period end, 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), announced on ASX on 23 February 2024. Dr.inB, backed by major pharmaceutical group Hanlim Pharma. Co., Ltd., is one of South Korea's leading Photodynamic Therapy (PDT) developers with prior experience in conducting studies and clinical trials for gynaecological indications. Under the agreement, Invion will supply Photosoft compounds to Dr.inB, which will then fund the following:

Invion retains all benefits and rights to the Photosoft™ technology, including new Intellectual Property (IP) that may arise out of this collaboration.

The agreement was reached 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.

Invision Limited
Directors' report
31 December 2023

No other matter or circumstance has arisen since 31 December 2023 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the directors



Thian Chew
Chairman

28 February 2024

Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the directors of Invion Limited

As lead auditor for the review of Invion Limited for the half-year ended 31 December 2023, I declare that, to the best of my knowledge and belief, there have been:

- no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review; and
- no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Invion Limited and the entities it controlled during the period.

William Buck

William Buck Audit (Vic) Pty Ltd

ABN 59 116 151 136

A. A. Finnis

A. A. Finnis

Director

Melbourne, 28 February 2024

Invision Limited
Consolidated statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2023

		Consolidated	
	Note	31 December 2023	31 December 2022
		\$	\$
Revenue	5	2,228,435	1,945,620
Other income		38,931	918
Expenses			
Employee benefits expense		(293,670)	(293,494)
Depreciation and amortisation expenses		(402,808)	(327,177)
Administration & corporate expenses		(530,061)	(465,732)
Share-based payment expense		(173,846)	(219,798)
Research & development costs		(1,581,154)	(1,471,042)
Loss before income tax expense		(714,173)	(830,705)
Income tax expense		-	-
Loss after income tax expense for the half-year attributable to the owners of Invision Limited		(714,173)	(830,705)
Other comprehensive income for the half-year, net of tax		-	-
Total comprehensive income for the half-year attributable to the owners of Invision Limited		(714,173)	(830,705)
		Cents	Cents
Basic and diluted earnings per share	14	(0.01)	(0.01)

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Invision Limited
Consolidated statement of financial position
As at 31 December 2023

		Consolidated	
		31 December	
	Note	2023	30 June 2023
		\$	\$
Assets			
Current assets			
Cash and cash equivalents		1,940,902	4,084,903
Trade and other receivables	6	2,454,787	1,615,723
Other current assets		173,999	59,874
Total current assets		<u>4,569,688</u>	<u>5,760,500</u>
Non-current assets			
Property, plant and equipment		48,927	58,483
Intangibles	7	13,734,594	13,227,846
Total non-current assets		<u>13,783,521</u>	<u>13,286,329</u>
Total assets		<u>18,353,209</u>	<u>19,046,829</u>
Liabilities			
Current liabilities			
Trade and other payables		422,063	587,243
Provisions		75,269	63,382
Total current liabilities		<u>497,332</u>	<u>650,625</u>
Total liabilities		<u>497,332</u>	<u>650,625</u>
Net assets		<u>17,855,877</u>	<u>18,396,204</u>
Equity			
Issued capital	8	146,883,159	146,883,159
Reserves	9	2,139,219	1,988,269
Accumulated losses		<u>(131,166,501)</u>	<u>(130,475,224)</u>
Total equity		<u>17,855,877</u>	<u>18,396,204</u>

The above consolidated statement of financial position should be read in conjunction with the accompanying notes

Invin Limited
Consolidated statement of changes in equity
For the half-year ended 31 December 2023

Consolidated	Issued capital \$	Options reserves \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2022	146,543,659	3,871,119	(130,836,041)	19,578,737
Loss after income tax expense for the half-year	-	-	(830,705)	(830,705)
Other comprehensive income for the half-year, net of tax	-	-	-	-
Total comprehensive income for the half-year	-	-	(830,705)	(830,705)
<i>Transactions with owners in their capacity as owners:</i>				
Options granted to Directors and employees (note 15)	-	219,798	-	219,798
Options issued to Directors in lieu of Directors fee	-	60,989	-	60,989
Share option exercised	49,727	(49,727)	-	-
Balance at 31 December 2022	<u>146,593,386</u>	<u>4,102,179</u>	<u>(131,666,746)</u>	<u>19,028,819</u>
Consolidated	Issued capital \$	Options reserves \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2023	146,883,159	1,988,269	(130,475,224)	18,396,204
Loss after income tax expense for the half-year	-	-	(714,173)	(714,173)
Other comprehensive income for the half-year, net of tax	-	-	-	-
Total comprehensive income for the half-year	-	-	(714,173)	(714,173)
<i>Transactions with owners in their capacity as owners:</i>				
Options granted to Directors and employees (note 15)	-	173,846	-	173,846
Expiry of options	-	(22,896)	22,896	-
Balance at 31 December 2023	<u>146,883,159</u>	<u>2,139,219</u>	<u>(131,166,501)</u>	<u>17,855,877</u>

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes

Invision Limited
Consolidated statement of cash flows
For the half-year ended 31 December 2023

	Consolidated	
	31 December 2023	31 December 2022
	\$	\$
Cash flows from operating activities		
Receipts from customers	1,600,000	2,039,339
Payments to suppliers and employees	<u>(2,895,146)</u>	<u>(2,403,926)</u>
	(1,295,146)	(364,587)
Interest received	<u>51,145</u>	<u>918</u>
Net cash used in operating activities	<u>(1,244,001)</u>	<u>(363,669)</u>
Cash flows from investing activities		
Payments for property, plant and equipment	-	(75,832)
Payments for intangibles	<u>(900,000)</u>	<u>-</u>
Net cash used in investing activities	<u>(900,000)</u>	<u>(75,832)</u>
Net cash from financing activities	<u>-</u>	<u>-</u>
Net decrease in cash and cash equivalents	(2,144,001)	(439,501)
Cash and cash equivalents at the beginning of the financial half-year	<u>4,084,903</u>	<u>8,473,438</u>
Cash and cash equivalents at the end of the financial half-year	<u><u>1,940,902</u></u>	<u><u>8,033,937</u></u>

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes

Invion Limited
Notes to the consolidated financial statements
31 December 2023

Note 1. General information

The financial statements cover Invion Limited as a consolidated entity consisting of Invion Limited and the entities it controlled at the end of, or during, the half-year. The financial statements are presented in Australian dollars, which is Invion Limited's functional and presentation currency.

Invion Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business are:

Registered office

Level 4, 100 Albert Road,
South Melbourne, VIC 3205 Australia

Principal place of business

692 High Street, East Kew, VIC 3102 Australia

A description of the nature of the consolidated entity's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 28 February 2024.

Note 2. Corporate information

Invion Limited is a Company limited by shares incorporated in Australia whose shares have been publicly traded on the Australian Securities Exchange since its listing on 15 February 2011 (ASX:IVX). Invion is a clinical-stage life-sciences company that is leading the global clinical development of the Photosoft™ technology for the treatment of cancers, atherosclerosis and infectious diseases. Through the Exclusion distribution and licensing agreements of 2017, 2021, 2022 and 2023, Invion has been appointed exclusive licensee of Photosoft™ for cancer indications in Australia, New Zealand, countries in Central, South & South East Asia and all Asia Pacific countries excluding China (other than Hong Kong), Macau, Taiwan, Japan and South Korea. The appointment has been made by technology licensor, The Cho Group, a Hong Kong based group that has funded and successfully commercialised a number of unique and advanced technologies. Via 2017 R&D services agreement between the two entities, the research and clinical trials of Photosoft™ on cancer treatments are funded by The Cho Group for Australia and New Zealand territories. Through the Second and Third Amended & Restated Co-development agreement, the research on atherosclerosis and infectious diseases (AID) and cancer indications will be co-funded by Invion and the Cho Group, in AID and Cancer territories defined in this agreement including the Extended ID Territory (United States of America, Canada and Hong Kong).

The Invion Group ("the Group") consists of Invion Limited ("Invion" or "the Company") and its wholly owned subsidiary Epitech Dermal Science Pty Ltd. The Group is headquartered in Melbourne (Australia).

Note 3. Material accounting policy information

These general purpose financial statements for the interim half-year reporting period ended 31 December 2023 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2023 and any public announcements made by the company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Note 4. Operating segments

Identification of reportable operating segments

The Invion Group has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers ('CODM')) in assessing performance and in determining the allocation of resources.

The Invion Group operates as a clinical-stage life sciences (drug development) group. At 31 December 2023, the Group had operations in Australia only with its wholly owned subsidiary EpiTech Dermal Science Pty Ltd (previously IVX Cosmetics Pty Ltd). The Group does not consider that the risks and returns of the Group have been or are affected by differences in either the products or services it provides. The Group operates as one segment and as such in one geographical area. Group performance is evaluated based on operating profit or loss and is measured consistently with profit or loss in the consolidated financial statements. Group financing (including finance costs and finance income) and income taxes are managed on a Group basis.

The information reported to the CODM is on a monthly basis.

Note 5. Revenue

	Consolidated	
	31 December 2023	31 December 2022
	\$	\$
R&D services fee- over time	<u>2,228,435</u>	<u>1,945,620</u>

The above represents fees of \$2,228,435 earned from RMW Cho Group for Research and Development services provided. RMWCG is the single largest customer of the Group and a related party to Invion Limited.

Under the R&D Service Agreement and the Co-development agreement with RMWCG, Invion provide Research and Development services based on the work plan approved by the steering committee. The performance obligations are met once the work plan is executed over the period of time. Under the R&D Service Agreement, the revenue is recognised based on fully burdened cost basis which includes direct costs and expenses incurred by Invion in performing the Services, plus an allocated portion of the relevant indirect costs incurred by Invion in performing such Services. Under the Co-development agreement, the revenue from RMWCG is recognised for its portion of contribution towards the research and development activities under this agreement.

Note 6. Current assets - trade and other receivables

	Consolidated	
	31 December 2023	30 June 2023
	\$	\$
Trade receivables	2,452,888	1,601,610
Interest of term deposits receivable	<u>1,899</u>	<u>14,113</u>
	<u>2,454,787</u>	<u>1,615,723</u>

Trade receivables at 31 December 2023 contained \$2,441,888 (30 June 2023: \$1,590,610) for services performed under the R&D Service Agreement with RMW Cho Group.

Note 7. Non-current assets - intangibles

	Consolidated	
	31 December 2023	30 June 2023
	\$	\$
Intellectual property - at cost	16,150,000	15,250,000
Less: Accumulated amortisation	(2,415,406)	(2,022,154)
	<u>13,734,594</u>	<u>13,227,846</u>

Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial half-year are set out below:

Consolidated	Photosoft	Total
	\$	\$
Balance at 1 July 2023	13,227,846	13,227,846
Additions	900,000	900,000
Amortisation expense	(393,252)	(393,252)
Balance at 31 December 2023	<u>13,734,594</u>	<u>13,734,594</u>

Invion is developing Photosoft™ technology as an improved next generation Photodynamic Therapy. The Photosoft™ commercialisation licence acquired in 2018 for \$5,500,000 was recognised as an intangible asset and is being amortised over a 20-year period. This licence is being carried at the cost of the licence and distribution agreement less accumulated amortisation. The commercial licence represents distribution rights of treatments using the Photosoft™ technology, on cancer indications in Australia and New Zealand.

Through the 2022 Co-development Agreement, Amended and Restated Co-development Agreement and Exclusive Distribution and Licence Agreements for AID and Cancer, 2023 Second Amended and Restated Co-development Agreement and further through Third Amended and Restated Co-development Agreement during the current year, Invion entered into the additional arrangements with RMWCG with following licenses acquired:

- Co-develop Photosoft™ technology also referred to as Next Generation Photo Dynamic Therapy (NGPDT) for potential applications in atherosclerosis and infectious diseases (AID) (including viral, bacterial, fungal and parasitic) ('the AID indications'). In 2022 financial year, Invion had paid to RMWCG an amount of A\$2.25 million as a contribution towards the prior development of the NGPDT IP as it relates to AID and the AID Territory. In consideration of the contributions made by Invion for the joint development of the NGPDT, RMWCG agrees to grant an exclusive licence to use the NGPDT IP (including any improvements thereof) and any Inventions, and to distribute Products and Procedures, in relation to the Indications in the AID Territory Under Amended and Restated Exclusive Distribution and Licence Agreement – AID. This commercialisation licence is reflected as an intangible asset and is being amortised over a 20-year period.
- Co-develop Photosoft™ technology for Cancer Indications in the Cancer Territory defined in the Agreement. In 2022 financial year, Invion had paid to RMWCG an amount of \$5 million as a contribution towards the prior development of the NGPDT IP as it relates to the Cancer Indications and the Cancer Territory. In consideration of the contributions made by Invion for the joint development of the NGPDT, RMWCG agrees to grant an exclusive licence to use the NGPDT IP (including any improvements thereof) and any Inventions, and to distribute Products and Procedures, in relation to the Indications in the Cancer Territory. This commercialisation licence is reflected as an intangible asset and is being amortised over a 20-year period.
- In 2023 financial year, Invion paid to \$2.5 million to RMWCG under this Agreement, as a contribution towards the prior development of the NGPDT IP as it relates to the infectious diseases (ID) Indications and the Extended ID Territory (United States of America, Canada and Hong Kong). Under Amended and Restated Exclusive Distribution and Licence Agreement – AID, in consideration of the contributions made by Invion for the joint development of the NGPDT, RMWCG agrees to grant an exclusive licence to use the NGPDT IP (including any improvements thereof) and any Inventions, and to distribute Products and Procedures, in relation to the Indications in the Extended ID Territory. This commercialisation licence is reflected as an intangible asset and is being amortised over a 20-year period.

Note 7. Non-current assets - intangibles (continued)

- During the current financial year, Invion paid to \$0.9 million to RMWCG under this Agreement, as a contribution towards the prior development of the NGPDT IP as it relates to the Cancer Indications and the territory of South Korea. Under Amended and Restated Exclusive Distribution and Licence Agreement – Cancer, in consideration of the contributions made by Invion for the joint development of the NGPDT, RMWCG appointed Invion as its exclusive distributor of the Products and Procedures in the Territory; and granted to Invion an exclusive, perpetual, royalty free licence to use the NGPDT IP including any improvements to the NGPDT IP and any Inventions owned by RMWCG in relation to the Indications in the Territory. Invion also has the right to sub-licence its distribution rights to a third party in which case, Invion would pay to RWMCG Sub-Licence Fees equal to 50% of any up-front fees, milestone payments or royalties received from third parties pursuant to any Sub Licence. This commercialisation licence is reflected as an intangible asset and is being amortised over a 20-year period.

At each Balance Date, the Group assesses whether there is any indication that an intangible asset may be impaired. Where an indicator of impairment exists, the Group makes an estimate of recoverable amount, and where the carrying amount of an asset may exceed its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In prior years, following extensive research and development (R&D) efforts, Invion selected Active Pharmaceutical Ingredient (API), called INV043. the Proof-of-Concept (PoC) tests on INV043 showed great promise across a range of cancers. Successful vitro studies demonstrated INV043's effectiveness against six squamous cell carcinoma (SCC) cell lines that represent the full range of anal cancers. The drug discovery work on both topical and intravenous (IV) formulations of INV043 were completed. The Company progressed on the pre-clinical studies for the IV drug product that will be used in future solid tumour clinical trials and continued to lay the groundwork for clinical trials in at least two types of cancers – skin and anogenital.

In the research and development on AID, In-vitro studies showed selected Photosoft™ compounds to be effective against the Zika virus and had successful in-vitro test on the virus that causes COVID-19. The results from separate studies showed that nine out of the ten Photosoft™ compounds displayed antiviral activity against the Delta and Omicron BA.1 variants of SARS-CoV-2. In-vitro study on infectious diseases including antibiotic resistant MRSA bacteria, or Superbugs, found that Photosoft compounds showed activity against multiple strains of the Superbug, which has been described by the World Health Organization (WHO) as one of the top 10 threats facing humanity.

During the half-year ended 31 December 2023, the Company progressed and is on track to commence its Phase 1 adaptive platform protocol (APP) clinical trial on non-melanoma skin cancers (NMSC). Invion manufactured INV043, lead drug candidate, at IDT Australia Limited (ASX: IDT) under Good Manufacturing Practice (GMP) standards, which is a higher quality level than is required for Australian Phase I trials. 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 and is looking to partner with Veracity Clinical Research (Veracity) in Queensland to conduct the trial. 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.

The Company has also decided to focus on periodontal diseases as it explores opportunities in the oral antimicrobial space as the Company believes periodontal diseases are a more commercially attractive market for the Photosoft™ technology and periodontists are looking for alternative treatments to surgery and antibiotics to deal with infections.

In light of significant progress in R&D research on cancer treatment and encouraging preliminary results on AID Indications using the Photosoft™ technology, management did not observed any indicators for impairment to this carrying value. There have been no indicators of any technological obsolescence to the Photosoft™ technology. The Group assessed that there is no impact of COVID-19 on Photosoft™ commercialisation licence.

Invision Limited
Notes to the consolidated financial statements
31 December 2023

Note 8. Equity - issued capital

	Consolidated			
	31 December 2023 Shares	30 June 2023 Shares	31 December 2023 \$	30 June 2023 \$
Ordinary shares - fully paid	<u>6,421,632,206</u>	<u>6,421,632,206</u>	<u>146,883,159</u>	<u>146,883,159</u>

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Share buy-back

There is no current on-market share buy-back.

Note 9. Equity - reserves

	Consolidated	
	31 December 2023 \$	30 June 2023 \$
Options reserve	<u>2,139,219</u>	<u>1,988,269</u>

Option reserve

Items recognised as an expense with respect to share-based consideration.

Note 10. Equity - dividends

There were no dividends paid, recommended or declared during the current or previous financial half-year.

Note 11. Contingent liabilities

The consolidated entity has no material contingent liabilities as at the date of this report.

Note 12. Commitments

At the Balance Date, the Company had \$nil contractual commitments relating to R&D development activities (30 June 2023: Nil).

Note 13. Events after the reporting period

Subsequent to the period end, 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), announced on ASX on 23 February 2024. Dr.inB, backed by major pharmaceutical group Hanlim Pharma. Co., Ltd., is one of South Korea's leading Photodynamic Therapy (PDT) developers with prior experience in conducting studies and clinical trials for gynaecological indications. Under the agreement, Invion will supply Photosoft compounds to Dr.inB, which will then fund the following:

- Formulate and evaluate the Photosoft compounds in vitro and/or in vivo as appropriate, to demonstrate efficacy and safety; and
- conduct Proof-of-Concept (PoC) clinical trials to test safety and efficacy of the Photosoft technology in HPV patients at agreed upon gynaecology clinics in South Korea.

Invion retains all benefits and rights to the Photosoft™ technology, including new Intellectual Property (IP) that may arise out of this collaboration.

The agreement was reached 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.

No other matter or circumstance has arisen since 31 December 2023 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Note 14. Earnings per share

	Consolidated	Consolidated
	31 December 2023	31 December 2022
	\$	\$
Loss after income tax attributable to the owners of Invion Limited	<u>(714,173)</u>	<u>(830,705)</u>
	Number	Number
Weighted average number of ordinary shares used in calculating basic and diluted earnings per share	<u>6,421,632,206</u>	<u>6,418,594,583</u>
	Cents	Cents
Basic and diluted earnings per share	(0.01)	(0.01)

Note 15. Share-based payments

Share based payments expense during the period is \$173,846 (2022: \$219,798) which relates to options issued to Directors, KMP and other employees of the company.

Summary of options granted and lapsed during the half-year ended 31 December 2023 are as below:

Unlisted Options

Set out below are summaries of options granted under the plan:

31 December 2023

Grant date	Expiry date	Exercise price	Balance at the start of the half-year	Granted*	Exercised**	Expired/ forfeited/ other	Balance at the end of the half-year
31/10/2019	31/10/2023	\$0.02	2,725,761	-	-	(2,725,761)	-
01/07/2020	01/07/2024	\$0.02	15,928,570	-	-	-	15,928,570
31/08/2020	31/08/2024	\$0.02	20,443,211	-	-	-	20,443,211
22/10/2020	22/10/2024	\$0.02	20,443,211	-	-	-	20,443,211
29/10/2020	31/10/2024	\$0.01	2,725,762	-	-	-	2,725,762
31/10/2020	31/10/2024	\$0.00	5,689,623	-	-	-	5,689,623
15/12/2020	31/10/2024	\$0.00	3,232,610	-	-	-	3,232,610
07/04/2021	31/10/2024	\$0.00	4,061,710	-	-	-	4,061,710
10/06/2021	31/10/2024	\$0.00	2,556,462	-	-	-	2,556,462
16/09/2021	31/10/2024	\$0.00	2,777,739	-	-	-	2,777,739
30/09/2021	23/09/2025	\$0.00	138,488,557	-	-	-	138,488,557
07/12/2021	31/10/2025	\$0.00	1,765,436	-	-	-	1,765,436
15/03/2022	31/10/2025	\$0.00	2,791,938	-	-	-	2,791,938
16/06/2022	31/10/2025	\$0.00	3,973,198	-	-	-	3,973,198
12/09/2022	31/10/2025	\$0.00	4,849,413	-	-	-	4,849,413
17/11/2022	17/11/2026	\$0.02	22,013,745	-	-	-	22,013,745
13/01/2023	13/01/2026	\$0.02	35,000,000	-	-	-	35,000,000
01/05/2023	01/05/2026	\$0.01	20,000,000	-	-	-	20,000,000
29/11/2023	01/12/2026	\$0.01	-	12,000,000	-	-	12,000,000
			<u>309,466,946</u>	<u>12,000,000</u>	<u>-</u>	<u>(2,725,761)</u>	<u>318,741,185</u>

* On 29 November 2023, 12,000,000 options were granted to an employee and a consultant under the Company's Executive and Employee Share option plan.

For the 12,000,000 options granted during the current financial half-year, the valuation model inputs used to determine the fair value at the grant date, are as follows:

Grant date	Expiry date	Share price at grant date	Exercise price	Expected volatility	Dividend yield	Risk-free interest rate	Fair value at grant date
29/11/2023	01/12/2026	\$0.007	\$0.01	124.00%	-	4.01%	\$0.480

Invision Limited
Directors' declaration
31 December 2023

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 31 December 2023 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the directors



Thian Chew
Chairman

28 February 2024

Independent auditor's review report to the members of Invion Limited

Report on the half-year financial report



Our conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of Invion Limited (the Company), and its subsidiaries (the Group) does not comply with the *Corporations Act 2001*, including:

- giving a true and fair view of the Group's financial position as at 31 December 2023 and of its financial performance for the half-year then ended; and
- complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

What was reviewed?

We have reviewed the accompanying half-year financial report of the Group, which comprises:

- the consolidated statement of financial position as at 31 December 2023,
- the consolidated statement of profit or loss and other comprehensive income for the half-year then ended,
- the consolidated statement of changes in equity for the half-year then ended,
- the consolidated statement of cash flows for the half-year then ended,
- notes to the financial statements, including material accounting policy information, and
- the directors' declaration.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's responsibilities for the review of the financial report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Responsibilities of the directors for the half-year financial report


The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's responsibilities for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2023 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.


William Buck Audit (Vic) Pty Ltd
ABN 59 116 151 136


A. A. Finnis
Director
Melbourne, 28 February 2024