

ASX ANNOUNCEMENT: APPENDIX 4C

29 January 2018

The Manager
Company Announcements Office
ASX Limited, 20 Bridge St, SYDNEY NSW 2000

Dear Sir

APPENDIX 4C

Invion Limited (ASX:IVX) is pleased to lodge its Appendix 4C for the quarter ending 31 December 2017.

Funding

The Company held cash reserves of \$0.281 million at the end of December, with operating cash outflows during the quarter at \$0.438 million. In the current quarter, the Company is due to complete an underwritten pro rata entitlement offer to Invion Shareholders, to raise up to approximately \$2.5M. Additionally, an R&D tax rebate of \$0.081 million is anticipated to be received during the current quarter.

In accordance with strategy, activity in coming quarters will primarily be directed to the clinical development of Photosoft™, the fully burdened costs of which will be funded non-dilutively via Invion's R&D services agreement with The Cho Group.

Strategy

At the Company's Annual General Meeting held on 30 November 2017, shareholders approved a strategic transaction with The Cho Group comprising three agreements:

1. **Exclusive Distribution and Licence Agreement:** Invion has been appointed exclusive distributor and licensee in Australia and New Zealand of New Generation Photo Dynamic Therapy (NGPDT) technology for the treatment of cancers. The NGPDT technology, "Photosoft™", is a new generation photosensitiser derived from chlorophyll which is hypothesised to identify and selectively accumulate within solid cancerous tumour tissues. Specific light and laser delivery methods are targeted to activate the absorbed photosensitiser for the non-invasive treatment of solid cancers.
2. **R&D Services Agreement:** Invion will conduct clinical development of the NGPDT technology globally, with The Cho Group providing non-dilutive funding for relevant R&D; and
3. **Underwriting Agreement:** The Cho Group will fully underwrite a non-renounceable pro rata entitlement offer to Invion Shareholders, to raise up to approximately \$2.5M. The underwritten entitlement offer is due to be completed prior to the end of the March 2018 quarter. Funds will be directed to working capital and the repayment of current liabilities.

An Appendix 4C accompanies this announcement.

For and on behalf of the Board of Invion Limited

MELANIE FARRIS
Company Secretary

Appendix 4C

Quarterly report for entities subject to Listing Rule 4.7B

Introduced 31/3/00. Amended 30/9/01, 24/10/05, 17/12/10, 1/09/16

Name of entity

INVION LTD

ABN

76 094 730 417

Quarter ended ("current quarter")

31-December-2017

Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) research and development	(32)	(36)
(b) product manufacturing and operating costs	-	-
(c) advertising and marketing	-	-
(d) leased assets	-	-
(e) staff costs	(51)	(89)
(f) administration and corporate costs	(352)	(508)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	(3)	(4)
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	(438)	(637)

2. Cash flows from investing activities

2.1 Payments to acquire:

- (a) property, plant and equipment
- (b) businesses (see item 10)
- (c) investments

	-	-
	-	-
	-	-

Consolidated statement of cash flows	Current quarter	Year to date (6 months)
	\$A'000	\$A'000
(d) intellectual property	-	-
(e) other non-current assets	-	-
2.2 Proceeds from disposal of:		-
(a) property, plant and equipment	-	-
(b) businesses (see item 10)	-	-
(c) investments	-	-
(d) intellectual property	-	-
(e) 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	-	-
3. Cash flows from financing activities		
3.1 Proceeds from issues of shares	-	-
3.2 Proceeds from issue of convertible notes	-	-
3.3 Proceeds from exercise of share options	-	-
3.4 Transaction costs related to issues of shares, convertible notes or options	-	-
3.5 Proceeds from borrowings	67	67
3.6 Repayment of borrowings	(46)	(65)
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	21	2
4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of quarter/year to date	698	917
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(438)	(637)
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)	21	2

Consolidated statement of cash flows	Current quarter	Year to date (6 months)
	\$A'000	\$A'000
4.5 Effect of movement in exchange rates on cash held	-	(1)
4.6 Cash and cash equivalents at end of quarter	281	281

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	Previous quarter
	\$A'000	\$A'000
5.1 Bank Balances	281	698
5.2 Call deposits	-	-
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)	281	698

6. Payments to directors of the entity and their associates	Current quarter
	\$A'000
6.1 Aggregate amount of payments to the parties included in item 1.2	(65)
6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	

Payments to directors includes directors fees and executive directors salaries.

7. Payments to related entities of the entity and their associates	Current quarter
	\$A'000
7.1 Aggregate amount of payments to the parties included in item 1.2	-
7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	

8. Financing facilities available
Add notes as necessary for an understanding of the position

Total facility amount at quarter end \$A'000	Total drawn at quarter end \$A'000
-	-
-	-
-	-

- 8.1 Loan facilities
- 8.2 Credit standby arrangements
- 8.3 Other (please specify)

8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.

9. Estimated cash outflows for next quarter

- 9.1 Research and development
- 9.2 Product manufacturing and operating costs
- 9.3 Advertising and marketing
- 9.4 Leased assets
- 9.5 Staff costs
- 9.6 Administration and corporate costs
- 9.7 Other - repayment of current liabilities
- 9.8 Total estimated cash outflows**

\$A'000
119
-
-
195
228
1,609
2,151

10. Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)

- 10.1 Name of entity
- 10.2 Place of incorporation or registration
- 10.3 Consideration for acquisition or disposal
- 10.4 Total net assets
- 10.5 Nature of business

Acquisitions	Disposals
N/A	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.

Sign here: Original signed
(Company Secretary)



Date: 29-January-2018

Print name: Melanie Farris

Notes

¹ The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.

² If this quarterly 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 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.