

ASX ANNOUNCEMENT

APPENDIX 4C INTRODUCTION FROM CHAIRMAN, DAVID WILLIAMS

“Those who know me from my role as Chairman of PolyNovo (ASX: PNV), know how excited I am to lead a company dedicated to saving lives and improving patient outcomes. We all have family and friends impacted by cancer and debilitating neurodegenerative diseases such as Alzheimer’s and Parkinson’s. Even more relevant, we all have mothers, daughters and sisters, so the work INOVIQ is doing on breast and ovarian cancer detection is of great interest.

While not immediately evident, INOVIQ’s Platform technologies like EXO-NET, underpin the Company’s growing pipeline of cancer diagnostics and therapeutics. EXO-NET ultimately helps researchers build new and better products to detect and treat disease earlier, leading to better patient outcomes.

Since joining the INOVIQ Board in late November 2023, I am buoyed by the promise of INOVIQ’s platform technologies and what they might mean to the research and clinical communities. INOVIQ and its collaborators are releasing peer reviewed publications for clinical applications in cancer and other diseases. I expect the number of these publications to build quickly.

Our new NEURO-NET product for capturing brain derived exosomes holds enormous potential for impacting the earlier detection and more effective treatment of Alzheimer’s disease. INOVIQ is seeking to collaborate with leading research institutes to access precious samples from Alzheimer’s and Parkinson’s disease patients to advance this ground-breaking technology.”

Authorised for release by the INOVIQ Limited Board of Directors.

FOR MORE INFORMATION

David Williams

Chairman

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APPENDIX 4C & QUARTERLY BUSINESS UPDATE

Period Ended 31 December 2023

- Cash balance of \$5.97m as at 31 December 2023, including receipt of the FY23 R&D Tax Incentive rebate of \$0.95m during the quarter
- SubB2M immunoassay and SPR development programs progressed for cancer monitoring and risk-assessment tests
- Discussions advanced with potential biotech partners using EXO-NET for exosome isolation and development of exosome diagnostics
- New data presented on the effectiveness and utility of EXO-NET® at the Australia and New Zealand Society for Extracellular Vesicles (ANSEV) conference
- New data presented on high-throughput EXO-NET for exosome isolation and biomarker discovery in breast and ovarian cancers presented at a Promega hosted workshop at the Association for Molecular Pathology (AMP) annual meeting
- David Williams appointed Non-Executive Director and Chairman
- Bell Potter Healthcare Conference 2023 presentation

Melbourne, Australia, 31 January 2024: [INOVIQ Limited](#) (ASX:IIQ) (**INOVIQ** or the **Company**) today released its Appendix 4C and Quarterly Business Update for the quarter ended 31 December 2023 (Q2 FY24).

1 FINANCIAL UPDATE

INOVIQ held \$5.974m in cash as at 31 December 2023 to support its strategic and operational requirements.

Operating cash receipts during the quarter included:

- Rebate related to the FY23 R&D Tax Incentive scheme of \$0.949m;
- \$188k of receipts from customers during the quarter (September 2023 quarter - \$92k); and
- Received \$77k of bank interest (September 2023 quarter - \$83k).

Net cash used in operating activities for the quarter was \$300k (impacted by the R&D Tax Incentive noted above) with the main outflows being:

- Research and Development (R&D) expenditure of \$604k (September 2023 quarter - \$579k);
- Non-R&D staff costs of \$442k (September 2023 quarter - \$392k); and
- Administration, corporate and leased asset costs of \$445k (September 2023 quarter - \$473k).

2 RESEARCH AND DEVELOPMENT (R&D) PROGRESS

2.1 SUBB2M PROGRAM

SubB2M immunoassays for breast and ovarian cancer monitoring

During the December 2023 quarter, INOVIQ commenced a breast cancer monitoring study of its neuCA15-3 test (renamed from SubB2M/CA15-3). The aim of the study is to demonstrate the performance of the neuCA15.3 test for monitoring treatment response and/or disease recurrence compared to an FDA cleared CA15-3 test (Roche Elecsys CA15-3 II).

The monitoring study is being undertaken at contract research organisation [ResearchDx](#) and was expected to complete in December 2023. Supplier logistics issues and the holiday period delayed study completion with INOVIQ now expecting to finalise data analysis and report results in February 2024.

INOVIQ then plans to present its neuCA15-3 test data package to potential partners to secure a CLIA-accredited laboratory partner in the US for commercialisation of the test as a Laboratory Developed Test in 2024.

Analytical validation studies of the neuCA125 test (renamed from SubB2M/CA125) also progressed during the quarter. Access to suitable ovarian cancer samples were delayed, with INOVIQ now expected to report these results in Q1 CY24.

SubB2M Surface Plasmon Resonance (SPR) test for cancer risk-assessment

INOVIQ previously signed a contract research agreement with [Nicoya Lifesciences Inc](#) to evaluate a SubB2M-based SPR test on the Alto™ Digital SPR instrument (ASX release dated 13 October 2022). The project aimed to demonstrate discrimination of the neuSPR test data between cancer and cancer-free blood samples.

SubB2M technology specifically binds a sugar (neu5Gc) released by cancer cells and SPR measures how much neu5Gc binds to SubB2M. Combining these technologies on the Alto could provide a highly sensitive test for detecting cancer biomarkers in blood.

This feasibility study, performed by Nicoya, tested blood samples from women with late-stage breast cancer and normal healthy women. The study has been finalised with results demonstrating that the neuSPR test can discriminate between cancer and healthy control samples. The neuSPR test measurement was up to 3-fold greater in breast cancer compared to normal healthy controls.

These initial results hold promise for developing a SPR-based multi-cancer risk assessment test, given SubB2M detects neu5Gc released from multiple cancers including breast, ovarian, prostate, melanoma and others.

2.2 EXOSOME PROGRAM

Exosome research tools

INOVIQ advanced its NEURO-NET program with antibody performance studies and initial validation studies showing effectiveness in capturing brain-derived exosomes from both Alzheimer's Disease and Parkinson's Disease blood samples.

Exosome diagnostics

The Ovarian Cancer Screening test (EXO-OC) is an exosome multi-marker test in development for early detection of ovarian cancer in asymptomatic high-risk women. EXO-NET is utilised to enable exosome isolation, biomarker discovery and translation of this novel exosome test from bench-to-clinic to help save women's lives.

During the quarter, INOVIQ worked with UQ to source samples for the further development and validation of the EXO-OC Test. INOVIQ expects that UQ will commence a biomarker validation study in H1 CY24 to evaluate the performance of the EXO-OC test to discriminate ovarian cancer across all stages, with the study expected to complete within 12-months. This is expected to be followed by Analytical and Clinical validation studies in CY25, which would then progress to an Investigational Device Application (IDE) to undertake a clinical study in high-risk ovarian cancer individuals in CY26.

Exosome therapeutics

During the quarter, INOVIQ commenced its in-house exosome therapeutics program including preparing data for its EXO-ACE technology for therapeutic exosome isolation, gaining its Office of the Gene Technology Regulator (OGTR) license to enable engineering of exosome-producing cell lines to target and treat cancer, and performing initial in vitro studies to evaluate the efficacy of engineered exosomes in breast cancer. Initial data showed over 75% killing activity of engineered exosomes to kill breast cancer cells.

3 COMMERCIAL UPDATE

3.1 EXO-NET® PAN-EXOSOME CAPTURE

EXO-NET RUO

INOVIQ and Promega executed a global joint marketing agreement on 6 July 2023 to co-market INOVIQ's EXO-NET® exosome capture technology and Promega Nucleic Acid purification systems worldwide. During the quarter, the companies worked together to develop a data package for high-throughput (HT) EXO-NET and promote its complete exosome isolation and RNA extraction solution for biomarker discovery and diagnostic development to key opinion leaders and potential Clinical Lab/Biotech/Pharma customers and at key conferences.

Post quarter end in January 2024, INOVIQ received its first product order from Promega for US\$20k (approx. A\$30k) and manufactured a new batch that is expected to be QC released, shipped and invoiced this month. This agreement and anticipated expansions are expected to be a major driver of future EXO-NET revenue growth.

EXO-NET promotion

During the quarter, INOVIQ engaged with researchers in academia and industry to promote awareness of EXO-NET, its benefits and applications for exosome isolation, biomarker discovery and diagnostic development. INOVIQ attended key scientific conferences and trade events to showcase the speed, efficiency and scalability of using EXO-NET for exosome isolation from various biofluids including plasma, saliva and cell culture media.

INOVIQ presented new data on the effectiveness and utility of its proprietary exosome isolation technology, EXO-NET, at the Annual Meeting of the [Australia and New Zealand Society for Extracellular Vesicles \(ANZSEV\) Conference](#) in Adelaide, Australia, 8-10 November 2023.

The first poster titled 'High-throughput isolation of extracellular vesicles and associated miRNAs' presented data on the first fully-automated high-throughput system for rapid and reproducible EXO-NET isolation of EVs and downstream RNA extraction on the Promega Maxwell® and Thermo Fisher Scientific KingFisher™ automated instruments.

The second poster titled 'A novel engineered protein bead-based matrix for enrichment of tumor derived extracellular vesicles' outlined data from a study that established the effectiveness of EXO-NET in selectively capturing a subpopulation of EVs enriched with tumor-specific biomarkers.

INOVIQ also attended and presented detailed data at a Promega hosted workshop titled '[Advancing Exosome Research: High-Throughput Capture and mRNA and miRNA detection in Ovarian Cancer](#)' at the Association for Molecular Pathology (AMP) Annual Meeting & Expo in Salt Lake City, USA on 14-18 November 2023. The data was from additional validation studies of its HT EXO-NET EV isolation system using INOVIQ's EXO-NET and Promega simplyRNA extraction kit to showcase the power of HT fully-automated pan-exosome capture and downstream RNA analysis to identify biomarkers associated with breast and ovarian cancer. INOVIQ commercial partners, [Promega](#) and [ResearchDx](#), exhibited at AMP and received numerous enquiries about EXO-NET following the presentation and during the conference.

EXO-NET business development

INOVIQ and Promega jointly engaged with multiple biotechnology, diagnostic and clinical laboratory companies during the quarter to discuss the potential use of its HT EXO-NET and RNA extraction solution for exosome isolation, biomarker discovery and diagnostics development.

INOVIQ also signed a research collaboration with a European biotechnology company to evaluate the feasibility of using EXO-NET to develop an exosome diagnostic for a targeted therapeutic. This is INOVIQ's first collaborative agreement to provide EXO-NET services to a biotech partner from its recently upgraded Australian laboratory.

4 CORPORATE UPDATE

Board changes and expansion

David Williams was appointed Non-Executive Director and Chairman of INOVIQ on 29 November 2023. David succeeded Dr Geoffrey Cumming who continues to serve on the Board as a Non-Executive Director.

David Williams *B.Ec(Hons), M.Ec, FAICD* is an experienced Director and investment banker with a track record in business development as well as in mergers and acquisitions and capital raising. He has experience advising ASX-listed companies in the food, medical device and pharmaceutical sectors. Mr Williams is currently Chairman of PolyNovo, Chairman of RMA Global (ASX:RMY) and is Managing Director of corporate advisory firm Kidder Williams.

2023 Annual General Meeting

INOVIQ's 2023 Annual General Meeting was held on 29 November 2023, with all resolutions passed. A video recording of the meeting including the CEO Presentation and Results of Meeting are available [here](#).

Investor Events

INOVIQ presented at the annual Bell Potter Healthcare Conference 2023 on 16 November 2023. CEO Dr Leearne Hinch provided an overview of the company, major achievements, and upcoming key milestones. A copy of the presentation is available [here](#).

- ENDS -

Authorised for release by the INOVIQ Limited Board of Directors.

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ABOUT INOVIQ LTD

INOVIQ Ltd (ASX:IIQ) is developing and commercialising next-generation exosome solutions and precision diagnostics to improve the diagnosis and treatment of cancer and other diseases. The company has commercialised the EXO-NET pan-exosome capture tool for research purposes and the hTERT test as an adjunct to urine cytology testing for bladder cancer. Our cancer diagnostic pipeline includes blood tests in development for earlier detection and monitoring of ovarian, breast and other cancers. For more information on INOVIQ, visit www.inoviq.com.

FORWARD LOOKING STATEMENTS

This announcement contains certain ‘forward-looking statements’ within the meaning of the securities laws of applicable jurisdictions. Forward-looking statements can generally be identified by the use of forward-looking words such as ‘may’, ‘should’, ‘expect’, ‘anticipate’, ‘estimate’, ‘scheduled’ or ‘continue’ or the negative version of them or comparable terminology. Any forecasts or other forward-looking statements contained in this announcement are subject to known and unknown risks and uncertainties and may involve significant elements of subjective judgment and assumptions as to future events which may or may not be correct. There are usually differences between forecast and actual results because events and actual circumstances frequently do not occur as forecast and these differences may be material. The Company does not give any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statements in this announcement will actually occur and you are cautioned not to place undue reliance on forward-looking statements.

Appendix 4C

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

Name of entity

INOVIQ LIMITED

ABN

58 009 070 384

Quarter ended ("current quarter")

31 December 2023

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	188	280
1.2 Payments for		
(a) research and development (<i>including allocated staff costs</i>)	(604)	(1,183)
(b) advertising and marketing	(6)	(113)
(c) product manufacturing and operating costs	(6)	(14)
(d) staff costs (<i>other than R&D staff</i>)	(442)	(834)
(e) administration and corporate costs	(364)	(758)
(f) leased assets	(81)	(159)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	77	160
1.5 Interest and other costs of finance paid	(11)	(23)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	949	949
1.8 Other	-	-
1.9 Net cash from / (used in) operating activities	(300)	(1,695)
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(g) entities	-	-
(h) businesses	-	-
(i) property, plant and equipment	(1)	(129)
(j) investments	-	-
(k) intellectual property	(13)	(14)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
	(l) 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	-	-
2.6	Net cash from / (used in) investing activities	(14)	(143)

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	6,290	7,813
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(300)	(1,695)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(14)	(143)
4.4	Net cash from capital raising (item 3.10 above)	-	-
4.5	Effect of movement in exchange rates on cash held	(2)	(1)
4.6	Cash and cash equivalents at end of period	5,974	5,974

5.	Reconciliation of cash and cash equivalents	Current quarter \$A'000	Previous quarter \$A'000
	at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts		
5.1	Bank balances	953	269
5.2	Call deposits	5,021	6,021
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)	5,974	6,290

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	61
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

Payments in 6.1 relate to Director fees and superannuation paid during the quarter.

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

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

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	20	-
7.3 Other (please specify)	-	-
7.4 Total financing facilities	-	-

7.5 **Unused financing facilities available at quarter end** 20

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.

Relates to the corporate credit card facility with the National Australia Bank.

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (Item 1.9)	(300)
8.2 Cash and cash equivalents at quarter end (Item 4.6)	5,974
8.3 Unused finance facilities available at quarter end (Item 7.5)	20
8.4 Total available funding (Item 8.2 + Item 8.3)	5,994
8.5 Estimated quarters of funding available (Item 8.4 divided by Item 8.1)	20

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?

Answer: 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?

Answer: 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?

Answer: 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: 31 January 2024

Authorised by: By the Board of Directors

Authorised for release by Company Secretary – Mark Edwards
(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.