QUARTERLY BUSINESS UPDATE

- **Positive EXO-NET RUO evaluations concluded with key Australian research institutions and further collaboration expected**
- **Two patents granted in the US and China protecting a potential BARD1 autoantibody test for lung cancer**
- **SubB2M program advances development of CA15.3 and CA125 proprietary monoclonal antibodies for use in SubB2M breast and ovarian cancer tests**
- **EXO-NET RUO program focused on development of new research tools to isolate exosome subsets for use in targeted diseases**
- **New multiomic exosome-liquid biopsy project commenced combining EXO-NET exosome capture and BARD1 biomarker technologies for earlier detection of breast and ovarian cancers**
- **Company renamed INOVIQ to reflect 'intelligent innovation' of future diagnostic and exosome-based product pipeline**
- **Cash of $18.6m as of 31 December 2021 is held to fund operations and pipeline development**

Melbourne, Australia, 31 January 2022: INOVIQ Limited (ASX:IIQ) (**INOVIQ** or the **Company**) today released its Appendix 4C and Quarterly Business Update for the quarter ended 31 December 2021.

1 COMMERCIAL UPDATE

Commercial activities during the quarter focused on completing evaluations of the EXO-NET Research Use Only (RUO) product with Australian research institutions and supporting our US hTERT distributor.

1.1 HTERT ICC TEST

hTERT test is an immunocytochemistry (ICC) assay registered for the detection of human telomerase reverse transcriptase (hTERT) in cytopathology samples. It is used as an adjunct to urine cytology to help resolve indeterminate cytology results and identify patients with increased risk of bladder cancer.

The COVID-19 Omicron variant has continued to reduce routine pathology testing and is a key factor leading to nil receipts for hTERT during the quarter ended December 2021. Previous hTERT receipts were $221k in the September 2021 quarter and $152k in the December 2020 quarter.

Our US distributor, StatLab, placed multiple orders in the June 2021 quarter in anticipation of an uplift in sales during the half-year to December 2021. However, hTERT sales remained flat due to the continuing COVID-19 epidemic, resulting in existing US laboratory customers being supplied from StatLab inventory. Sales of the hTERT test are expected to remain flat until the pandemic abates.

1.2 EXO-NET® RUO PAN-EXOSOME CAPTURE TOOL

EXO-NET RUO is a pan-exosome capture tool for isolation of exosomes from body fluids including plasma, urine, and saliva. EXO-NET has shown speed, purity and yield advantages compared to existing exosome isolation products in internal studies.[1]

On 10 November 2021, the Company sponsored and attended the virtual Australia & New Zealand Society of Extracellular Vesicles (ANZSEV) Symposium. A copy of the conference presentation is available via INOVIQ's investor centre at www.inoviq.com/site/investors/presentations.

[1] INOVIQ internal data 2021, in preparation for publication.

Importantly, INOVIQ completed positive evaluations of its EXO-NET RUO[2] product with leading Australian research groups during the December 2021 quarter. Researchers compared EXO-NET to existing exosome isolation technologies with positive results for their biomarkers of interest. INOVIQ expects to progress collaborations with these research groups in early 2022.

1.3 PATENTS GRANTED FOR BARD1 BIOMARKER TECHNOLOGY

On 12 November 2021, INOVIQ announced that US Patent No 11137402 was issued by the United States Patent and Trademark Office covering lung cancer diagnosis.

On 24 December 2021, INOVIQ announced that Chinese Patent ZL 201480071075.7 titled 'Lung Cancer Diagnosis' was issued by the Chinese Patent Office.

Both patents have claims directed towards methods for detecting antibodies to BARD1 peptides, methods for diagnosing lung cancer and kits for lung cancer diagnosis. The patent family enforces intellectual property protection for a potential BARD1-Lung cancer test that detects autoantibodies associated with lung cancer.

2 RESEARCH AND DEVELOPMENT (R&D) UPDATE

R&D activities during the quarter focused on advancing the SubB2M immunoassay program, evaluation of new EXO-NET prototypes, and ongoing review of the BARD1 autoantibody program.

2.1 SUBB2M PROGRAM

SubB2M is an engineered protein that specifically detects a cancer biomarker, Neu5Gc, found in multiple human cancers. INOVIQ is developing SubB2M-based assays for the detection and monitoring of cancer.

During the quarter, the **SubB2M immunoassay program** focused on evaluating reagents and identifying optimal assay conditions for the Company's combination SubB2M-CA15.3[3] and SubB2M-CA125[4] immunoassays that are in development for the monitoring of breast and ovarian cancers. Work also centred on finalising the data package for commercial assay development by a contract research organisation (CRO) and progressing the manufacture of in-house CA15.3 and CA125 antibodies for use in the commercial SubB2M immunoassays.

SubB2M immunohistochemistry (IHC) research continued to evaluate the presence of Neu5Gc (using the Company's SubB2M cancer probe) in tissue microarrays containing various cancers including breast, prostate, pancreatic, kidney and melanoma. The data will be independently reviewed by histopathologists and will inform the development of SubB2M-based IHC tests in areas of unmet need.

INOVIQ is also evaluating the opportunity to develop a highly sensitive **SubB2M-based SPR**[5] test that could be performed in a central laboratory to detect Neu5Gc concentrations in a general health panel. Elevated Neu5Gc concentrations in the blood may provide an early warning that an individual requires follow-up investigation for the presence of certain types of cancer such as breast, ovarian, prostate, pancreatic, kidney and melanoma.[6]

Finalising an agreement with a US-based CRO with CLIA lab facilities is important to progressing our SubB2M development and commercialisation efforts. Discussions with CROs continued to enable the transfer and further optimisation and validation of the SubB2M-based tests for breast and ovarian cancers. INOVIQ has reviewed several US-based CROs that operate CLIA-accredited laboratories capable of developing, validating, and offering in-house developed SubB2M tests to hospitals and clinicians to aid cancer detection.

2.2 NETS PROGRAM

Exosomes are extracellular vesicles (EVs) released by cells containing DNA, RNAs, proteins and lipids that are important biomarkers for diagnosis and treatment of multiple diseases including cancer. EXO-NET

[2] RUO = Research Use Only
[3] CA15.3 = Cancer Antigen 15.3 biomarker used for the monitoring of breast cancer
[4] CA125 = Cancer Antigen 125 biomarker used for the monitoring of ovarian cancer
[5] Surface Plasmon Resonance (SPR)
[6] Based on internal SPR and IHC data

is INOVIQ's proprietary multi-layered matrix of capture antibodies coated onto magnetic beads to enable efficient exosome isolation with speed, yield, and purity advantages.

INOVIQ's goal is to use EXO-NET to develop an in-house pipeline of **exosome-based diagnostics** that combine exosomal DNA, RNA, and protein markers with multivariate algorithms to enable the earlier detection of cancer and other diseases. INOVIQ is engaging with key opinion leaders focused on exosome research to establish key research collaborations that may lead to development of more accurate and reliable exosome-based diagnostics for earlier detection of cancer and other diseases. Earlier cancer detection has the potential to improve treatment options, patient outcomes and survival.

The EXO-NET matrix can be customised by our expert research team to capture specific subsets of EVs and be applied to beads or any surface to enable capture, release, and scalable isolation of exosomes for potential exosome-based research, diagnostic and therapeutic applications.

The **EXO-NET research program** continued to focus on building and testing new EXO-NET prototypes for capture and/or release of specific exosome-subsets that may be relevant to targeted diseases. This research is ongoing with several collaborations being progressed with academic and industry groups with the aim of supplying specific EXO-NET's to partners for use in research and development of exosome-based diagnostics and therapeutics.

A manuscript is being finalised for publication based on in-house data comparing the performance of EXO-NET RUO to competitor EV capture tools. Publication of these data are expected to generate additional research interest in EXO-NET and lead to further research collaborations, potential partnering opportunities and sales of EXO-NET.

2.3 BARD1 PROGRAM

The BARD1 technology is a biomarker platform that includes potential BARD1 DNA, RNA, protein, and autoantibodies that have potential application for earlier detection of breast, ovarian and lung cancers. Splice variants of BARD1 have been associated with cancer formation, progression, and poor prognosis.

The Company and its collaborator University of Geneva (UNIGE) have previously performed exploratory, case-control studies showing high accuracy of BARD1 autoantibody (AAb) tests for detection of ovarian, breast and lung cancers compared to healthy controls. INOVIQ is continuing its review of the BARD1 AAb program and data package generated at both UNIGE and Griffith University to inform further research direction, assay design and future studies.

On 29 November 2021, INOVIQ announced a new exosome liquid biopsy project to develop exosome-based RNA tests for earlier detection of breast and ovarian cancers. The Company signed a Research Agreement with the Mucosal Immunology Research Group (MIRG) at Griffith University to develop exosome-based RNA tests for detection of breast and ovarian cancers. Under the project, plasma exosomes will be isolated using EXO-NET® to capture exosomes at INOVIQ's US-based facility and then transferred to Griffith University for analysis using custom-built Nanostring® expression assays. If successful, this project would facilitate the development of new multiomic liquid biopsy tests based on exosomal RNAs and proteins, and the application of multivariate algorithms to enable earlier cancer detection.

3 CORPORATE UPDATE

On 29 November 2021, the Company held its 2021 Annual General Meeting (AGM.) All resolutions were carried.

On 8 December 2021, following shareholder approval at its AGM, the Company's name changed from BARD1 to INOVIQ Ltd (INOVIQ) and the ASX listing code changed from ASX:BD1 to ASX:IIQ. The change of company name to INOVIQ, which stands for *intelligent innovation*, better reflects the strategic vision, broader intellectual property assets and expanded product portfolio of the Company since its acquisition of Sienna Cancer Diagnostics Ltd in July 2020.

The new INOVIQ name is aligned with the Company's focus on commercialising *innovative* diagnostic and exosome-based products for the *intelligent* diagnosis and treatment of cancer and other diseases.

The Walker and Irminger legal proceedings against the Company remain before the Supreme Court of Victoria. The plaintiffs (both founding shareholders) allege that BARD1 breached various implied

contractual obligations in the share sale agreements under which BARD1 acquired BARD1AG SA connected with the conversion of performance shares to the Plaintiffs. The discovery process is substantially completed and the Company continues to defend the matter. No further comments can be made in relation to the proceedings at this time.

4 FINANCIAL UPDATE

INOVIQ ended the December quarter with a healthy cash balance of $18.6m, providing approximately 10 quarters of cash at the current cash burn rate.

Operating cash receipts during the quarter included:

- $16k from the Biomedical Translation Bridge (BTB) grant program supporting the development of SubB2M-based liquid biopsy tests to detect and monitor breast cancer (YTD $27k);
- $8k in bank interest (YTD $12k); and
- No receipts from customers were recorded during the quarter (YTD $221k), with routine sampling using hTERT tests disrupted by the global COVID-19 pandemic, as described earlier.

Net cash used in operating activities for the quarter was $1.8m (YTD $3.6m) with the key contributors being:

- Research and Development (R&D) expenditure of $777k (YTD $1.5m);
- Non-R&D staff costs of $455k (YTD $930k);
- Administration and corporate costs of $507k (YTD $1.2m) including legal costs of a Supreme Court proceeding that has been previously advised and continues to be defended by the Company); and
- Patent fees of $66k (YTD $168k).

During the quarter $50k was received from the exercise of employee share options, categorised as a financing activity in the Appendix 4C. A total of $17.2m of new capital, net of capital raising expenses, has been received YTD with the majority of funds raised from the placement and share purchase plan conducted at the commencement of the financial year.

Payments to related parties was $62k, the same amount recorded in the previous quarter, section 6.1 of the Appendix 4C, representing fees and superannuation paid to directors.

During the quarter KPMG was appointed as advisors for the submission of the group's R&D Tax Incentive claims for the 2021 & 2022 financial years. The 2021 claims are anticipated to be lodged during the March quarter.

Further details are provided in the Appendix 4C attached.

Authorised by the Company Secretary, Tony Di Pietro.

- ENDS -

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ABOUT INOVIQ LTD

INOVIQ Ltd (ASX:IIQ) (**INOVIQ**) is developing and commercialising an innovative portfolio of diagnostic and exosome-based products to improve the diagnosis and treatment of cancer and other diseases. The Company has commercialised the hTERT test used as an adjunct to urine cytology testing for bladder cancer and the EXO-NET pan-exosome capture tool for research purposes. Our cancer diagnostic pipeline includes blood tests in development for earlier detection and monitoring of ovarian, breast, prostate, and other cancers. For more information on INOVIQ, see 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	**Quarter ended ("current quarter")**
58 009 070 384	31 December 2021

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	-	221
1.2	Payments for		
	(a) research and development (*including allocated staff costs)*	(777)	(1,466)
	(b) patent fees	(66)	(168)
	(c) advertising and marketing	(54)	(89)
	(d) product manufacturing and operating costs	-	(24)
	(e) staff costs (*other than R&D staff)*	(455)	(930)
	(f) administration and corporate costs	(507)	(1,196)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	8	12
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other (*Govt stimulus & BTB Grant)*	16	27
1.9	**Net cash from / (used in) operating activities**	**(1,835)**	**(3,613)**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	(69)	(77)
	(d) investments	-	-
	(e) intellectual property	-	-

Consolidated statement of cash flows		Current quarter $A'000	Year to date (6 months) $A'000
	(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	-	-
2.6	**Net cash from / (used in) investing activities**	**(69)**	**(77)**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	18,411
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	50	50
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	(1,212)
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**	**50**	**17,249**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	20,413	4,999
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,835)	(3,613)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(69)	(77)
4.4	Net cash from capital raising (item 3.10 above)	50	17,249
4.5	Effect of movement in exchange rates on cash held	-	1
4.6	**Cash and cash equivalents at end of period**	**18,559**	**18,559**

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	538	8,392
5.2	Call deposits	18,021	12,021
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)**	**18,559**	**20,413**

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	62
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	20	(1)
7.3	Other (please specify)	-	-
7.4	**Total financing facilities**	-	-

7.5	**Unused financing facilities available at quarter end**	19

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)	(1,835)
8.2	Cash and cash equivalents at quarter end (Item 4.6)	18,559
8.3	Unused finance facilities available at quarter end (Item 7.5)	19
8.4	Total available funding (Item 8.2 + Item 8.3)	18,578
8.5	**Estimated quarters of funding available (Item 8.4 divided by Item 8.1)**	10

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 2022

Authorised by: By the Board of Directors

Authorised for release by Company Secretary – Tony Di Pietro
(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.