

# Next-generation diagnostics and therapeutics for cancer



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## Our Mission

INOVIQ is pioneering next-generation diagnostics and therapeutics to enhance patient outcomes in cancer and other diseases.

# Chairman's Letter

We are delighted to present INOVIQ's Annual Report for the financial year ended 30 June 2024.



Dear shareholder,

We are delighted to present INOVIQ's Annual Report for the financial year ended 30 June 2024.

## STRATEGIC DIAGNOSTICS FOCUS

INOVIQ has been transformed from a single-asset diagnostics company developing a lung cancer test to a biotechnology company developing next-generation diagnostics and therapeutics for cancer. The Company is leveraging its core technologies to build a portfolio of revenue-generating research tools and high-value diagnostics and therapeutics including:

- › EXO-NET and NEURO-NET research tools for isolating pan-exosomes or specific-exosomes from the brain
- › Exosome test for screening ovarian cancer in asymptomatic women
- › Tests for monitoring breast or ovarian cancer treatment response and recurrence

## ACHIEVEMENTS

The Company partnered with Promega to distribute its exosome research tools globally and enable other researchers to develop exosome diagnostics using our exosome platform. INOVIQ progressed its SubB2M diagnostics towards commercialisation for monitoring breast and ovarian cancers. It also expanded our exosome capabilities to develop third-generation immunotherapies for solid tumours. These initiatives will de-risk INOVIQ's business including through early EXO-NET revenue.

## STRATEGIC THERAPEUTICS FOCUS

While continuing to expand our exosome diagnostic capabilities, the Company is giving more focus to cancer therapeutics. This includes an exosome therapeutic to target and kill breast cancer.

## FINANCIAL PERFORMANCE

INOVIQ ended FY24 with a cash balance of \$9.2m, following a placement. The Share Purchase Plan component of the capital raise completed post 30 June 2024, delivering a further \$2.4m in July 2024. Funds are being primarily employed in advancing our SubB2M and EXO-NET programs. The Company reported a net loss from operating activities (after income tax) for the year of \$6.6 million.

## OUTLOOK AND PLANS

INOVIQ is a leading biotechnology company pioneering next-generation diagnostics and therapeutics to enhance patient outcomes in cancer and other diseases. Over the next 12-months, our priorities include:

- › expanding our exosome isolation tools,
- › partnering our lead SubB2M diagnostics,
- › accelerating the development of our exosome diagnostics and therapeutics pipeline, and
- › growing revenues from EXO-NET product sales and partnering.

INOVIQ is strongly positioned with disruptive technology, a multi-product pipeline, commercial partners validating its technology, and an experienced leadership team to execute on strategy. The Company is well-funded to leverage our existing technologies while exploring strategic M&A opportunities.

I thank shareholders for their ongoing support and look forward to keeping you informed on our progress.

**Mr David Williams**  
Chairman

# CEO's Report

INOVIQ is pioneering next-generation diagnostics and therapeutics to enhance patient outcomes for cancer and other diseases.



INOVIQ is pioneering next-generation diagnostics and therapeutics to enhance patient outcomes for cancer and other diseases. The product portfolio includes products in-market for exosome research







and bladder cancer diagnosis, clinical-stage cancer diagnostics for detection and monitoring of breast and ovarian cancers, and an early-stage exosome therapeutic for solid tumours.

### EXOSOME CAPTURE TOOLS IN-MARKET, GENERATING REVENUE AND GLOBAL DISTRIBUTION

INOVIQ's best-in-class exosome capture technology for exosome biomarker discovery and diagnostics is now commercially available worldwide. The global joint marketing agreement with leading life sciences company Promega Corporation was expanded to a global supply and distribution agreement in April 2024 to market, distribute and sell EXO-NET worldwide. INOVIQ received its

first order from Promega under the new agreement in June 2024, with the partnership expected to be a major driver of EXO-NET revenues.

The exosome research tool portfolio was expanded with the development and validation of NEURO-NET™ for isolation and analysis of brain-derived exosomes that are present in blood of Alzheimer's Disease and Parkinson's Disease patients. Exosomes cross the "blood-brain barrier" and provide a "fingerprint" of the health or disease status of the brain for use in brain cancer, neuropsychiatric disorders and neurodegenerative diseases. NEURO-NET expands INOVIQ's exosome capabilities and partnering opportunities to develop novel diagnostics for neurological conditions.

 <p><b>EXOSOME POWERED</b></p>	 <p><b>DISRUPTIVE TECHNOLOGY</b></p>	 <p><b>PRODUCTS IN MARKET</b></p>	 <p><b>PIPELINE</b></p>	 <p><b>CLINICAL DATA</b></p>	 <p><b>PARTNERING FOR GROWTH</b></p>
<p>Exosome solutions for early detection and treatment of cancer</p>	<p>Proprietary exosome and SubB2M technologies</p>	<p>Exosome research tools and bladder cancer test generating revenues</p>	<p>Differentiated, multi-stage exosome research tool, diagnostic and therapeutic pipeline for cancer</p>	<p>Data showing superior exosome isolation, accurate cancer detection and <i>in vitro</i> cancer killing activity</p>	<p>Global partners for sales of EXO-NET and development of exosome diagnostics to accelerate growth</p>



## EXOSOME DIAGNOSTICS PIPELINE PROGRESSING

The Company's first exosome diagnostic collaboration with the University of Queensland (UQ) to develop an exosome ovarian cancer screening test delivered data from an equivalence study showing that EXO-NET was effective for capturing exosomes from serum or plasma. Subsequently, a biomarker validation study commenced to evaluate the test in 500-samples with a data read-out expected by December 2024.

INOVIQ plans to expand its exosome diagnostic program over the next 12-months through collaborations with academic, diagnostic and therapeutic companies for liquid biopsies and companion diagnostics.

## EARLY-STAGE EXOSOME THERAPEUTICS PROGRAM

INOVIQ is developing exosome therapeutics engineered to target and kill cancer. This groundbreaking program builds on our innovative exosome diagnostic work. INOVIQ has leveraged its proprietary exosome platform, in-house capabilities and expertise in exosome science to commence an in-house exosome therapeutics program.

The Company has established core capabilities to engineer, load and produce exosomes for therapeutic applications. Proof-of-concept data highlighted the potential of INOVIQ's immune-cell derived CAR-exosomes as an effective cancer therapy and the potential for RNA drug-loaded exosome therapeutics. The Company is scaling its exosome production capacity using its proprietary EXO-ACE technology to isolate exosomes and is advancing its CAR-exosome program towards key preclinical *in vitro* and *in vivo* milestones for cancer over the next 12-months. *In vivo* data are expected to support discussions with pharmaceutical companies for potential partnering opportunities in exosome therapeutics.

## SUBB2M TECHNOLOGY ADVANCING TOWARDS COMMERCIALISATION

The SubB2M technology has been analytically and clinically validated to detect breast cancer across all stages (81% sensitivity and 93% specificity), key breast cancer types and subtypes, and is effective for breast cancer monitoring. INOVIQ has initiated discussions with potential partners and key opinion leaders to secure a laboratory partner in the US for commercialisation of the SubB2M-CA15-3 test. Additionally, a scientific paper on SubB2M-CA15-3 has been prepared for submission to an international peer-reviewed scientific journal.

The next milestones for the SubB2M-CA15-3 test are translation to other high-throughput instrument platforms, additional in-clinic breast cancer monitoring studies and securing a CLIA-accredited laboratory partner in the US for commercialisation of the test as a Laboratory Developed Test in 2025.

## FUTURE MILESTONES

The Company expects to report data readouts across its SubB2M tests, exosome diagnostic and therapeutic programs, as well as commercial progress for its EXO-NET research tools and partnering activities over the next 12 months.

**Dr Learne Hinch**  
CEO

# Review of Operations

We are pleased to present the Group's Annual Report for the financial year ended 30 June 2024 and provide an update on further strategic and operational progress since year end.



## Commercial

### BUSINESS OVERVIEW

INOVIQ Ltd (ASX:IIQ) is a biotechnology company pioneering next-generation diagnostics and therapeutics for cancer. INOVIQ has commercialised its fast, efficient and specific EXO-NET exosome isolation technology for biomarker discovery and diagnostics development, and the hTERT test as an adjunct test for bladder cancer. The company is advancing clinical-stage diagnostics for detection and monitoring of ovarian and breast cancers, and early-stage exosome therapeutics for solid tumours.

### HIGHLIGHTS

INOVIQ made significant progress during financial year 2024 and up to the date of this report. The Company secured a global distribution partnership for its in-market EXO-NET<sup>®</sup> exosome research tools, advanced its cancer diagnostics pipeline towards key development milestones, progressed its research-stage exosome therapeutics program, expanded its Board and completed a capital raising.

- › Global **supply and distribution agreement for EXO-NET<sup>®</sup>** signed with leading US life sciences company, Promega Corporation
- › **First EXO-NET order** received from Promega under distribution agreement
- › INOVIQ and ResearchDx signed a license and supply agreement for INOVIQ's EXO-NET pan-exosome capture product to provide **EXO-NET services** in the US
- › Multiple EXO-NET (Pan and Neuro) feasibility studies ongoing with pharma/diagnostic companies for potential exosome diagnostics
- › Intellectual property for exosome platform expanded with new patent applications protecting NEURO-NET brain-derived exosome isolation and EXO-ACE isolation of therapeutic exosomes



## Research and Development

- › 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** exosome isolation and biomarker discovery in breast and ovarian cancers at Promega hosted workshop at the Association for Molecular Pathology (AMP) annual meeting
- › Validation of **NEURO-NET** demonstrating isolation of brain-derived exosomes in Alzheimer's Disease
- › Serum equivalence study confirmed EXO-NET isolates exosomes from both plasma and serum samples, enabling access to large ovarian cancer serum biobanks for further development of the **EXO-OC test**
- › *In vitro* proof-of-concept for breakthrough **CAR-exosome therapy** to target and kill breast cancer
- › Monitoring study demonstrated **SubB2M-CA15-3 test** detected key breast cancer subtypes, correctly identified 19% more breast cancers than a leading test and was effective for monitoring breast cancer
- › Analytical validation of **SubB2M-CA125 test** showing assay reproducibility and discrimination of both early and late-stage ovarian cancers from healthy controls
- › Completed **SubB2M-based SPR assay** evaluation on Nicoya ALTO instrument for potential multi-cancer risk assessment test



## Corporate

- › **David Williams**, experienced director and investment banker, appointed Non-Executive Director and Chairman, bringing substantial financial, governance and corporate expertise
- › Successful **capital raise with total funds raised of \$9.4m** via a placement to institutional and sophisticated investors (\$7m) and SPP (\$2.4m - received post year-end)



## Financial

- › **Cash of \$9.2 million** at 30 June 2024 to advance product development and commercial
- › **Net loss of \$6.6 million** for the year ended 30 June 2024
- › **Research and Development Tax Refund of \$1.02m** recognised for the 2024 financial year

**\$9.2m**

Cash Balance



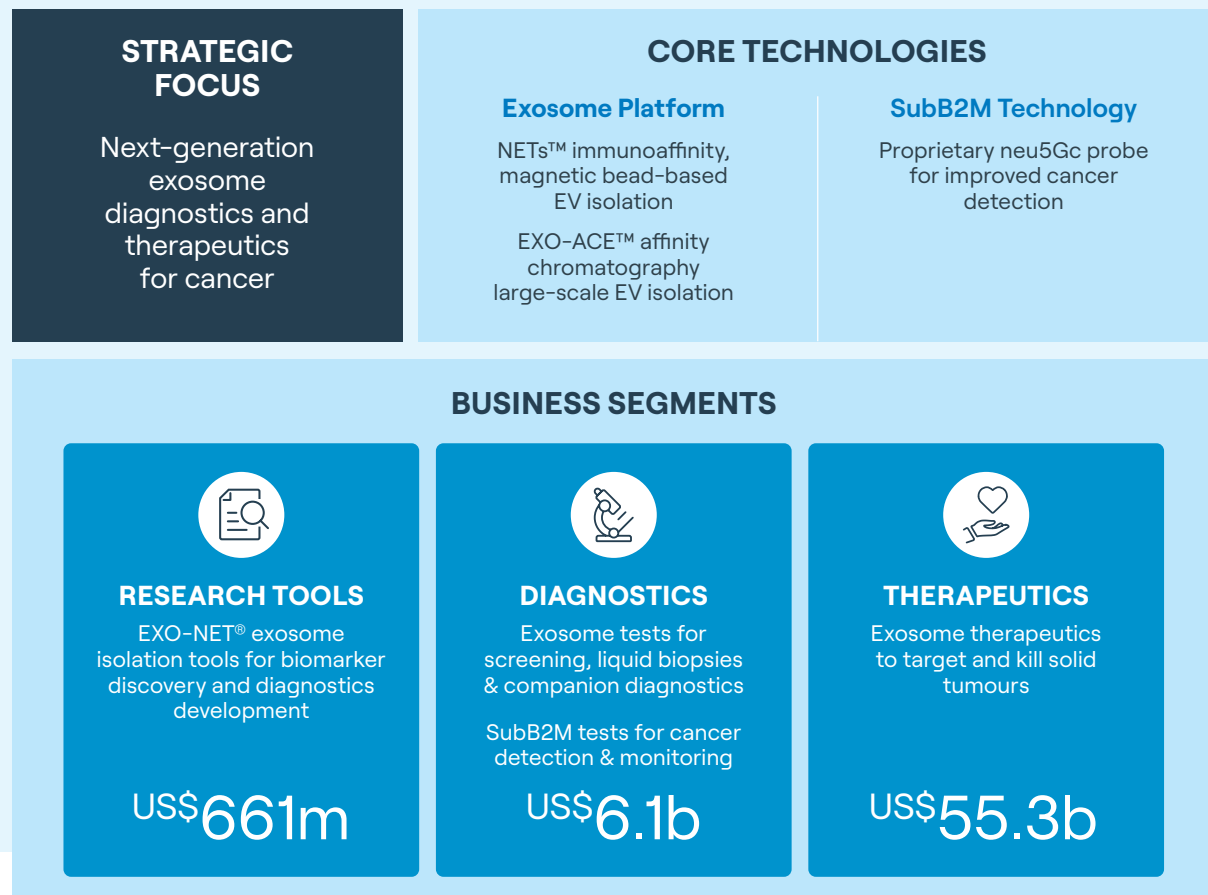
## DELIVERING VALUE

INOVIQ's vision is to be a *leading biotechnology company delivering next-generation cancer diagnostics and therapeutics to enhance patient outcomes in cancer and other diseases*. The Company has proprietary technologies, in-market products and a strong development pipeline of cancer diagnostics and therapeutics.

INOVIQ is developing best-in-class diagnostics and therapeutics for global markets that deliver value to patients, clinicians, the health system and investors. The Company has three key business pillars built around our disruptive technologies that underpin its short and longer-term product development and revenue generating opportunities:

- 1. Research tools:** The EXO-NET technology is a source of current and future revenue streams including EXO-NET pan-exosome sold for research purposes, custom EXO-NET products and exosome services to develop exosome-based diagnostics for contract research fees and potential future licensing revenue;
- 2. Diagnostics:** The diagnostic pipeline includes both internal and partnered diagnostic tests developed using our SubB2M and EXO-NET technologies for improved screening, diagnosis, treatment selection and monitoring of cancer and other diseases; and
- 3. Therapeutics:** The longer-term focus is on developing high-value exosome therapeutics to target and kill cancer, enabled by our EXO-ACE technology for therapeutic exosome isolation and production.

INOVIQ is growing shareholder value through commercialisation of the Company's lead SubB2M cancer diagnostics, developing a multi-product exosome pipeline, diversifying risk across multiple applications and building a revenue generating business. The Company's strategic focus and business pillars supporting our current pipeline and future growth are depicted below:





## CANCER DIAGNOSTICS MARKET

The global cancer burden encompassed 50.6 million people living with cancer, 19.3 million new cases and 10.0 million deaths in 2020.<sup>1</sup> The incidence of cancer is expected to reach 28.4 million new cases by 2040 due to population aging and growth. Cancer is a leading cause of premature death with the highest burdens in China, Europe and North America. The cancer burden can be reduced by improved prevention, early detection, cancer screening programs and effective treatment to improve patient outcomes and reduce mortality.

Cancer is often detected at late-stage (stages III and IV) after symptoms have appeared, resulting in a poor prognosis. Many existing diagnostic tests have high false-positives and/or insufficient sensitivity for early-stage cancer (stages I and II) and screening programs have poor participation rates due to the test invasiveness, inconvenience, inaccessibility and cost. Earlier, more accurate and cost-effective diagnostics could improve treatment options, patient outcomes and survival.<sup>2</sup>

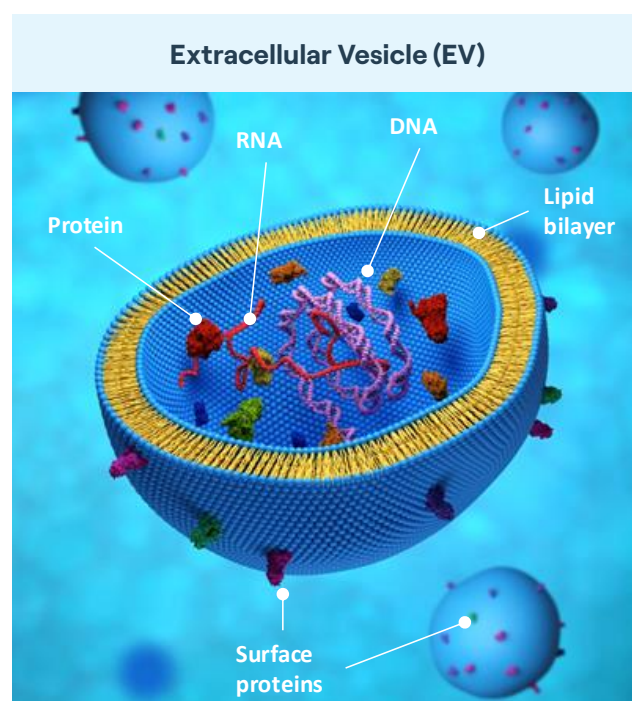
INOVIQ is developing non-invasive, diagnostics using its proprietary SubB2M (improves existing cancer biomarker tests) and exosome (liquid biopsies and companion diagnostics) technologies for screening, diagnosis, treatment selection and monitoring of cancer and other diseases. INOVIQ's diagnostics pipeline currently includes blood tests for detection and monitoring of breast and ovarian cancers. Breast cancer is the most common cancer with 2.3 million cases and 685 million deaths worldwide<sup>1</sup>, and a global diagnostics market valued at US\$4.3 billion in 2022.<sup>3</sup> Ovarian cancer is the world's deadliest gynaecological cancer with 314,000 cases and 207,000 deaths worldwide<sup>1</sup>, and a global diagnostic market expected to reach over US\$1.8 billion by 2026.<sup>4</sup>

## EXOSOMES MARKET FOR RESEARCH, DIAGNOSTIC AND THERAPEUTIC APPLICATIONS

Exosomes (or small extracellular vesicles, sEVs) are released by all cells and perform key roles in intercellular communication, immune regulation and disease progression. They carry molecular cargo including DNA, RNAs, proteins and lipids that act as cell messengers or biomarkers of disease. Exosomes have enormous potential in applications for research, diagnosis and treatment of cancer, neurodegenerative, cardiovascular, infectious and other diseases.

The global exosomes market for research, diagnostics and therapeutics was valued at US\$325.8 million in 2023 and is forecast to reach US\$2.6 billion by 2030, growing at a CAGR of 29.9%.<sup>5</sup> It is predicted the market will be \$6.8B by 2032 as more diagnostics and therapeutics are commercialised.<sup>6</sup> Market growth is driven by increased investment in exosome research, the rising prevalence of chronic diseases, and adoption of liquid biopsies and precision medicine. The key challenge remains inadequate exosome isolation and production methods.

INOVIQ is harnessing the power of exosomes for biomarker discovery, diagnostic and therapeutic applications. The Company has commercialised its EXO-NET exosome isolation technology with global distribution partner Promega, is advancing diagnostic tests for early detection of ovarian cancer, and progressing early-stage exosome therapeutics for solid tumours.



- 1 Sung H et al. Global Cancer Statistics 2020: GLOBOCAN Estimates of Incidence and Mortality Worldwide for 36 Cancers in 185 Countries. *CA Cancer J Clin.* 2021. <https://doi.org/10.3322/caac.21660>
- 2 SEER18 2010-2016
- 3 2023. Breast Cancer Diagnostics Market, 2023-2030: <https://www.grandviewresearch.com/industry-analysis/breast-cancer-diagnostics-market>
- 4 2019. Ovarian Cancer Diagnostics Market. <https://www.globenewswire.com/news-release/2019/08/07/1898453/0/en/Ovarian-Cancer-Diagnostics-Market-Size-Worth-US-1-8-Bn-by-2026.html>
- 5 2024. Exosomes Market: Global Industry Analysis and Forecast for the Period 2024-2030. MMR: <https://www.maximizemarketresearch.com/market-report/exosomes-market/189733/>
- 6 2023. Exosome Diagnostics and Therapeutics Market to 2032. MarketsandMarkets: <https://www.marketsandmarkets.com/Market-Reports/exosome-diagnostics-therapeutics-market-198025144.html>

## Review of Operations continued

### PRODUCT PORTFOLIO

INOVIQ's product portfolio includes in-market exosome research tools and an adjunct test for bladder cancer detection, clinical-stage diagnostics for detection and monitoring of ovarian and breast cancers, and an early-stage exosome therapeutics program for solid tumours.

Technology	Research Tools	Indication	Use	Discovery	Verification	Validation	In-market
Exosomes	EXO-NET	Multiple	Pan-EV Capture	RUO			
Exosomes	NEURO-NET	Neurology	Brain Derived-EV Capture	RUO			
Exosomes	TEXO-NET	Oncology	Tumour Derived-EV Capture	RUO			
	Diagnostics	Indication	Use	Discovery	Assay Development	Clinical Validation	In-market
hTERT	hTERT ICC <sup>1</sup>	Bladder Cancer	Adjunct to Cytology	IVD-CLASS 1 USA			
SubB2M	neuCA15-3	Breast Cancer	Monitoring	LDT			
SubB2M	neuCA125	Ovarian Cancer	Monitoring	LDT			
Exosomes	EXO-OC <sup>2</sup>	Ovarian Cancer	Screening		IVD		
	Therapeutics	Indication	Use	Discovery	Pre-clinical	Clinical	Approval
Exosomes	EEV-001	Breast Cancer	CAR-Exosome therapy				

1. Adjunct to urine cytology to assist the detection of bladder cancer;
2. Umbrella Research & Option Agreement with University of Queensland

### COMMERCIAL UPDATE

Commercial activities during the year focused on EXO-NET direct sales, partnering and conference activities.

#### EXO-NET<sup>®</sup> PAN-EXOSOME CAPTURE

EXO-NET pan-exosome capture is a research use only (RUO) tool for isolating exosomes from biofluids for biomarker discovery and diagnostic applications. EXO-NET offers speed, efficiency and scalability advantages over competitor exosome isolation products.

EXO-NET Pan has been commercialised as an exosome isolation tool for sale in the rapidly growing exosome research market. EXO-NET Pan is manufactured by INOVIQ in 1.6mL, 1mL and 0.25mL pack sizes containing EXO-NET coated magnetic beads for processing up to 96, 60 or 15 samples.



On 6 July 2023, INOVIQ signed a global joint marketing agreement with multinational lifesciences company Promega Corporation to co-market INOVIQ's EXO-NET exosome capture technology and Promega Nucleic Acid purification systems worldwide.

On 5 September 2023, INOVIQ signed a license and supply agreement with contract research organisation ResearchDx enabling provision of EXO-NET enabled exosome isolation, biomarker discovery and diagnostics development services to biotech and pharma customers in the US.

On 23 December 2023, INOVIQ signed a research collaboration with a biotechnology company to evaluate the feasibility of using EXO-NET to develop an exosome diagnostic for a targeted therapeutic. This was INOVIQ's first fee-paying collaborative agreement to provide EXO-NET services to a biotech partner from its recently upgraded Australian laboratory.

On 15 April 2024, INOVIQ signed a global supply and distribution agreement with Promega Corporation to sell EXO-NET worldwide. Promega is a global leader in innovative technologies, tools and technical support to the life sciences industry. The agreement leverages the speed and efficiency of INOVIQ's EXO-NET exosome isolation technology with Promega's nucleic acid purification systems to offer world-class exosome solutions to researchers for manual, automated and high-throughput exosome isolation and nucleic acid extraction. This agreement is expected to drive EXO-NET sales and lead to transformative research unlocking the commercial potential of EXO-NET for exosome diagnostics. INOVIQ received an initial EXO-NET order of US\$20k (approx. A\$30k) under the Promega co-marketing agreement in February 2024 and its first purchase order of US\$64k (approx. A\$96k) under the Promega distribution agreement in June 2024.

On 17 May 2024, a key EXO-NET paper entitled [High-Throughput Surface Epitope Immunoaffinity Isolation of Extracellular Vesicles and Downstream Analysis](#) was published online in *Biology Methods & Protocols*. The paper provides analytical and clinical data demonstrating that EXO-NET is a fast, efficient and scalable method for isolating enriched populations of EVs for biomarker discovery and the development of diagnostics.

During the year, INOVIQ and Promega developed a data package for high-throughput (HT) EXO-NET and engaged with key opinion leaders, research facilities, contract research organisations and biotechnology/ pharmaceutical companies to highlight the advantages of its EXO-NET and RNA extraction solution for exosome isolation, biomarker discovery and diagnostics development. Additionally, the Company attended, exhibited and delivered poster presentations at multiple scientific conferences showcasing the speed, efficiency and specificity of manual and high-throughput EXO-NET in breast and ovarian cancers.

### hTERT ICC TEST

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

The hTERT test is registered as an IVD medical device in the United States (Class I IVD), Europe (CE-IVD marking), Australia (Class I IVD) and South Korea (Class II IVD) for use as a clinical diagnostic by pathology laboratories for the detection of hTERT in cytopathology samples.<sup>7</sup>

INOVIQ sells the hTERT test direct to laboratory customers in the US achieving revenues of \$333,255 during the year (2023: \$363,209). hTERT sales revenues are expected to remain flat in FY2025 due to the limited market size and increased competition from new product entrants.

hTERT ICC test



7 Allison et al. Evaluation of Sienna Cancer Diagnostics hTERT Antibody on 500 Consecutive Urinary Tract Specimens. *Acta Cytologica* 2018. DOI: 10.1159/000489181



### RESEARCH & DEVELOPMENT (R&D) PROGRESS

INOVIQ technologies have the potential to deliver significant clinical and commercial benefits to patients, the healthcare system and shareholders. R&D activities during FY24 focused on expanding the exosome program across its research tools, diagnostics and discovery-stage therapeutics pipeline, and advancing the lead SubB2M diagnostics pipeline for monitoring cancer towards key development milestones.

### EXOSOME PROGRAM

INOVIQ is developing a portfolio of EXO-NET capture tools and exosome diagnostics for detection, treatment selection and monitoring of cancer and other diseases. INOVIQ is engaging with academia and industry focused on exosome research to establish collaborations for the development of more accurate and reliable exosome diagnostics. The Company is progressing feasibility studies with various parties to evaluate the use of EXO-NET and NEURO-NET™ for both biomarker discovery and diagnostics. Successful feasibilities are expected to progress to the development-stage for exosome diagnostics for cancer and neurological diseases over the next 12-months.

#### *Exosome research tools*

EXO-NET® is INOVIQ's proprietary immuno-affinity capture technology designed for high-throughput isolation of exosomes in diagnostic applications. EXO-NET comprises a multi-layered matrix of capture antibodies coated onto magnetic beads that enable fast, efficient and specific exosome isolation that outperforms competitor products. EXO-NET can be customised to isolate sub-populations of exosomes for specific diseases.

INOVIQ has developed NEURO-NET™ for isolation of brain-derived exosomes for use in neurological conditions. NEURO-NET™ comprises multiple antibodies to capture surface proteins found on exosomes released by brain cells including neurons, microglia, oligodendrocytes and astrocytes. Brain-derived exosomes have potential applications for brain cancer, neuropsychiatric disorders and neurodegenerative diseases. The Company plans to use NEURO-NET™ for both its own and partnered development of exosome diagnostics for neurological diseases.

On 12 June 2024, INOVIQ announced that its NEURO-NET™ technology could isolate brain-derived exosomes in Alzheimer's Disease. Exosomes provide a "fingerprint" of the health or disease status of the parent cell and can cross the "blood-brain barrier", making them promising candidates as diagnostics for neurological diseases. Initial analytical and clinical validation of NEURO-NET™ showed that exosomes isolated from blood contained proteins known to be expressed by brain cells including the identification of known Alzheimer's biomarkers that could not be detected by other methods.

Analysis of NEURO-NET-captured exosomes identified more than 200 proteins that were differentially expressed in Alzheimer's Disease (AD) patients when compared with healthy individuals. These results were further validated by a larger study (48 cases and 44 controls) conducted by the Walter & Elisa Hall Institute, confirming the presence of previously identified biomarkers of AD. Importantly, 47 proteins were uniquely expressed in exosomes isolated from AD blood samples and provided robust discrimination between cases and controls.

INOVIQ has presented these data to diagnostic and biopharma companies interested in using NEURO-NET™ to develop blood-based neurodegenerative disease tests and companion diagnostics for neuro-therapeutics. The next milestones for NEURO-NET™ include additional clinical validation data and collaborations with academia and industry in neurological diseases. Discussions with interested parties are progressing and multiple feasibility studies are underway.

### **Exosome diagnostics**

INOVIQ is harnessing the power of exosomes to develop its own and partnered next-generation diagnostics for early detection, therapeutic selection and treatment monitoring in cancer and neurodegenerative diseases.

The EXO-Ovarian Cancer Screening test (EXO-OC) is an exosome multi-marker blood test in development for early detection of ovarian cancer in asymptomatic high-risk women. On 9 August 2023, positive results were released from an equivalence study performed by INOVIQ's collaborator, the University of Queensland (UQ), to evaluate exosome-based biomarkers and performance of the EXO-OC test algorithm in 250 paired plasma and serum samples. The study confirmed that EXO-NET can be used to isolate exosomes from biobanked plasma and serum samples. This enables large ovarian cancer serum biobanks to be used for further development of the EXO-OC test.

During the year, UQ sourced over 500 samples of ovarian cancer and matched healthy controls from Westmead Hospital for a biomarker validation study of targeted proteins and miRNAs in the EXO-OC Test. The study to evaluate the performance of the EXO-OC test to discriminate ovarian cancer across all stages has commenced and is expected to complete by December 2024. INOVIQ has an Option to license the development and commercialisation of the EXO-OC test upon successful test validation (ASX: 1 April 2022). The next milestones include analytical and clinical validation studies in CY25, followed by submission of an Investigational Device Exemption (IDE) to undertake a clinical study in asymptomatic, high-risk ovarian cancer individuals in CY26.

INOVIQ expects to expand its exosome diagnostic program in FY25 through collaborations with academic, diagnostic and therapeutic companies for liquid biopsies and companion diagnostics.

### **Exosome therapeutics**

INOVIQ is developing exosomes therapeutics engineered to target and kill cancer. The exosome therapeutics program is a very exciting extension of our exosome diagnostic work. INOVIQ has leveraged its proprietary exosome platform, in-house capabilities and expertise in exosome science to commence its first in-house exosome therapeutics program.

INOVIQ's exosome therapeutics program uses chimeric antigen receptor (CAR)-exosomes that are released from genetically engineered CAR-T (T-lymphocytes) and CAR-NK (Natural-Killer) cells. These CAR-exosomes have enormous potential as cell-free therapeutics, with manufacturing, safety and efficacy advantages over autologous cell therapies for treating solid tumours. CAR-exosomes inherit the tumour-targeting and cytotoxic capabilities of their parent CAR-T/NK cells, specifically targeting and killing cancer cells.

During the year, multiple in-house studies were performed including evaluation of various immune cell lines (T-cells and Natural Killer (NK)-cells) that release exosomes, establishment of a Master Cell Bank of NK cells, design and testing of proprietary cancer antigens to target solid tumours (i.e., chimeric antigen receptors, CAR), evaluation of the purity and yield of exosomes isolated using INOVIQ's EXO-ACE technology and initial *in vitro* proof-of-concept studies for CAR-exosomes in breast cancer.

## Review of Operations continued

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On 3 June 2024 INOVIQ announced that it had successfully produced and isolated engineered exosomes (EEVs) that target and kill breast cancer cells *in vitro*. A proof-of-concept study demonstrated that a breast cancer targeting protein (CAR) was expressed in exosomes released by immune cells. The engineered exosomes were isolated and concentrated from immune cell-conditioned media using INOVIQ's proprietary EXO-ACE™ technology (for isolating exosomes at scale for therapeutic use). EXO-ACE recovered more than 80% of exosomes from cell-conditioned media with over 95% purity. When treated with these exosomes, 75% of breast cancer cells underwent cell death within 72 hours.

Based on these excellent results, INOVIQ is progressing its exosome therapeutics program, initially focusing on immune-cell derived exosome therapeutics for breast and ovarian cancers. The next milestones are to complete further *in vitro* efficacy testing in NK-cell lines by end of CY24, followed by *in vivo* testing in animal models in CY25. INOVIQ is engaging with key opinion leaders in the immunotherapy field and expanding collaborations with leading research groups to fast-track this program.

### SUBB2M PROGRAM

SubB2M is an engineered protein that specifically detects the pan-cancer biomarker neu5Gc that is found in multiple human cancers. INOVIQ is developing simple, accurate and affordable SubB2M-based blood tests for cancer detection and monitoring. SubB2M-based immunoassays have been designed using a protein specific monoclonal capture antibody combined with INOVIQ's proprietary detection reagent to monitor the biomarker produced by cancer cells, resulting in improved specificity for cancer and potentially less false positives.

#### **Test for Breast Cancer Monitoring (neu-CA15-3)**

The neu-CA15-3 test is a blood test in development for monitoring breast cancer in women diagnosed with the disease. The test has been clinically validated to detect breast cancer across all stages with 81% sensitivity and 93% specificity. On 22 February 2024, INOVIQ announced the successful completion of a monitoring study showing that INOVIQ's test detected key breast cancer subtypes (HR+, HER2+ and TNBC), correctly identified 19% more breast cancers than a leading approved CA15-3 test and is effective for monitoring breast cancer.

The neuCA15-3 test has now been clinically validated to detect breast cancer across all stages, key breast cancer types and subtypes, and is effective for breast cancer monitoring. INOVIQ has initiated discussions with potential partners and key opinion leaders to secure a laboratory partner in the US for commercialisation of the test. A key scientific paper on neuCA15-3 for breast cancer detection and monitoring has been prepared for submission to an international peer-reviewed scientific journal.

The Company also initiated a feasibility program to transfer the current ELISA to a bead-based assay that can be used on high-throughput automated laboratory equipment. Plans for an in-clinic study of the test for monitoring treatment response were also progressed to support commercialisation of the test.

#### **Test for Ovarian Cancer Monitoring (neu-CA125)**

The neu-CA125 test is a blood test in development for monitoring ovarian cancer in women diagnosed with the disease. On 19 April 2024, INOVIQ announced the successful completion of an analytical validation study for its neu-CA125 blood test for ovarian cancer. Overall, the test correctly identified 85% of all samples tested including 76% of the cancer samples and 94% of the cancer free samples. Analytical validation confirmed that the test is working properly and can reliably detect women with ovarian cancer. Further development of neu-CA125 test will include evaluation of new fit-for-purpose CA125 antibodies currently in production by a contract manufacturer.

#### **Surface Plasmon Resonance (SPR) test for cancer risk-assessment (neu-SPR test)**

INOVIQ completed a feasibility study with Nicoya Lifesciences Inc to evaluate a SubB2M-based SPR test on the Alto™ Digital SPR instrument (ASX: 13 October 2022). In December 2023, the study was finalised with results demonstrating that the SPR test could discriminate between cancer and healthy control samples. These initial results hold promise for developing a SPR-based multi-cancer risk assessment test, pending medical device approval of the ALTO platform.

## INTELLECTUAL PROPERTY PORTFOLIO

The Group owns or exclusively licenses a broad intellectual property (IP) portfolio of granted patents, patent applications, trade secrets and trademarks protecting INOVIQ's technologies, products, processes and brands. The Group had 21 granted patents, 15 patents pending and 2 international provisional patent applications as at 30 June 2024, covering its SubB2M, Molecular NET, BARD1 and hTERT technologies and products across key jurisdictions including the United States, Europe, Asia, and Australia. Additionally, it owns registered trademarks for INOVIQ®, EXO-NET® and Acuris®.

INOVIQ filed several provisional patent applications to expand its exosome intellectual property (IP) portfolio during the period:

- › An Australian Provisional Patent Application (APPA) was filed in October 2023 covering its NEURO-NET technology for isolation of brain-derived exosomes for biomarker discovery and diagnostic development. The APPA covers compositions for capturing extracellular vesicles derived from various brain cells in a sample and uses for commercial applications.
- › An APPA was filed in March 2024 covering its cutting-edge EXO-ACE technology for large scale isolation of exosomes for therapeutic use. The APPA covers compositions for use in capturing extracellular vesicles for large scale commercial applications.

Patent Family	Title	Granted	Pending	Expiry
<b>SubB2M</b>				
PCT/AU2017/051230 (WO2018/085888)	Subtilase cytotoxin B subunit mutant	AU, EP, JP, US	BR, CA, CN, IN, KR, US (cont)	2037 US 2038
PCT/AU2022/050470 (WO2022/236383)	Methods of analysing a sample		US	2042
US7078489	Cytotoxin with subtilase domain	US		
<b>BARD1</b>				
PCT/FR01/02731 (WO2002/018536)	Truncated BARD1 protein, and its diagnostic and therapeutic uses	US		2024
PCT/IB2011/054194 (WO2012/038932)	Kits for detecting breast or ovarian cancer in a body fluid sample and use thereof	EP, US, US (cont)		2031 US and US (cont) 2032
EP14002398.7	Non-coding RNA as diagnostic marker and treatment target	US		2035
<b>hTERT</b>				
PCT/AU2015/050060 (WO2015/120523)	Method of resolving inconclusive cytology to detect cancer	AU, CN, EP, IL, JP, US US (cont)		2035
PCT/AU2016/050764 (WO2017/027928)	Method of detecting cancer in morphologically normal cells		US	2036
<b>Molecular NETs</b>				
PCT/US2010/058086 (WO2011/066449)	Devices for detection of analytes	CN, US (cont1), US cont2), US (cont3)	US (cont6)	2030 US (cont1) 2033 US (cont2&3) 2031
PCT/US2013/049779 (WO2014/011673)	Molecular Nets	EP		2033
PCT/AU2022/050428 (WO2022/232886)	Methods relating to tumour-derived extracellular vesicles		CN, EP, JP, SG, KR, US	2042
AU2023903359	Extracellular vesicle compositions and uses thereof		AU (provisional)	2044
<b>Therapeutic Evs</b>				
AU2024900609	Resin compositions and methods of use		AU (provisional)	2024

cont = continuation; div = divisional



### CORPORATE UPDATE

#### BOARD CHANGES AND EXPANSION

David Williams was appointed Non-Executive Director and Chairman of INOVIQ on 29 November 2023. David Williams *B.Ec(Hons), M.Ec, FAICD* is an experienced Director and investment banker with a track record in business development, 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 (ASX:PNV), Chairman of RMA Global (ASX:RMY) and is Managing Director of corporate advisory firm Kidder Williams.

#### STRENGTHENED CAPABILITIES TO TAKE ADVANTAGE OF HIGH-GROWTH EXOSOME MARKET

During the year, INOVIQ invested in its people across exosome science, product development and commercial, as well as in state-of-the-art equipment to support its in-house and partnered exosome-based product development for research, diagnostic and therapeutic applications.

#### CAPITAL RAISE

In June 2024, INOVIQ completed a placement to institutional and sophisticated investors, raising \$7.0 million (before costs) via 14 million new fully paid ordinary shares in the Company at \$0.50 per

Share, with one free quoted option for every two new Shares issued under the Placement with an exercise price of \$1.00 and two-year expiry. The pricing of the Placement represented an 11.5% discount to the last traded market price. \$0.25m (500,000 Shares) of the Placement (and 250,000 attaching Placement Options), representing the Board's participation in the capital raise, are subject to shareholder approval at an extraordinary general meeting to be held on 21 August 2024.

On 5 July 2024 INOVIQ announced the successful completion of the share purchase plan (SPP), with applications totalling \$7.293 million, exceeding the initial target of \$2m. INOVIQ Directors exercised discretion to accept allocations to the maximum capacity of A\$2.379m and scale back applications pro-rata. The SPP also provided investors with one free quoted option for every two new Shares issued at an exercise price of \$1.00 expiring on 8 July 2026.

#### INVESTOR PROMOTION AND AWARENESS

INOVIQ continued to drive awareness of its investment proposition, product pipeline, progress and plans with investors and media through the period. INOVIQ presented at multiple investor conferences and numerous media outlets reported on INOVIQ news, see Presentation tab [www.inoviq.com/site/investors/presentations](http://www.inoviq.com/site/investors/presentations) and Media tab [www.inoviq.com/site/media/inoviq-in-the-news](http://www.inoviq.com/site/media/inoviq-in-the-news).



## OUTLOOK AND PLANS

INOVIQ remains focused on its vision to be a leading biotechnology company pioneering next-generation diagnostics and therapeutics to enhance patient outcomes in cancer and other diseases. The Company's priorities over the next 12-months are to expand its EXO-NET exosome isolation tools, partner its lead SubB2M diagnostics, accelerate development of its exosome diagnostics and therapeutics pipeline, and grow revenues from EXO-NET product sales and partnering. The Company expects to report data readouts across its SubB2M tests, exosome diagnostic and therapeutic programs, as well as commercial progress for its EXO-NET research tools and partnering activities over the next 12 months.

INOVIQ is strongly positioned with disruptive technology, a multi-product pipeline, commercial partners validating its technology, and an experienced leadership team to execute on strategy, deliver key milestones and grow shareholder value over the next 12 months. INOVIQ thanks shareholders for their ongoing support and looks forward to keeping you informed on our progress.

	CY 2024	CY 2025
<b>Exosome program</b>	<ul style="list-style-type: none"> <li>✓ EXO-NET Supply &amp; Distribution Agreement with Promega</li> <li>● Exosome diagnostic agreement</li> <li>✓ NEURO-NET validation data</li> <li>● EXO-OC test biomarker validation data</li> <li>✓ Exosome therapeutic <i>in vitro</i> data</li> </ul>	<ul style="list-style-type: none"> <li>● Commence exosome diagnostic development for Alzheimer's Disease</li> <li>● Commence EXO-OC test clinical validation for ovarian cancer screening</li> <li>● Exosome therapeutic <i>in vivo</i> data</li> </ul>
<b>SubB2M program</b>	<ul style="list-style-type: none"> <li>✓ SubB2M breast cancer monitoring study data</li> <li>● Laboratory partner for SubB2M tests</li> </ul>	<ul style="list-style-type: none"> <li>● First sales of SubB2M breast cancer monitoring test</li> <li>● SubB2M ovarian cancer clinical validation study data</li> <li>● SubB2M breast cancer in-clinic monitoring study data</li> </ul>



## FINANCIAL RESULTS

The Group recorded a net loss from operating activities after income tax of \$6,554,350 (2023: \$8,969,241) and ended the financial year with a cash balance of \$9,233,192 (2023: \$7,812,511).

Product revenues from sales of the hTERT test totalled \$333,255 (2023: \$363,209) and from EXO-NET totalled \$201,863 (2023: \$34,984). Income from other sources was \$1,283,025 (2023: \$1,506,730) including an accrual of \$1,017,344 for the Research and Development Tax Incentive Refund for the 2024 financial year (2023: \$949,501). The refund for 2024 is expected to be received in the coming months. No grant income was received in 2024 (2023: \$58,130). Miscellaneous income added \$256,581 (2023: \$353,721).

General and administration costs were \$5,158,586 (2023: \$6,832,901) with the following significant contributors:

- › employee expenditure \$2,672,483 (2023: \$1,914,513) including non-cash share options expense of \$834,774 (2023: \$285,111);
- › Professional and legal fees \$612,005 (2023: \$2,147,043), where the majority of prior year costs related to fees paid to defend the Supreme Court Writ and achieve the settlement outcome;
- › amortisation of intangible assets \$947,514 (2023: \$944,933) for the hTERT and NETs intangible assets; and
- › ASX listing and share registry fees of \$134,137 (2023: \$132,421).

Research and Development expenditure was \$2,699,591 (2023: \$3,224,469) including employee related expenditure of \$1,208,243 (2023: \$1,334,274) and \$1,251,411 (2023: \$1,649,970) paid to external contractors and suppliers. The majority of expenditure was incurred on the SubB2M and NETs programs.

Sales and Marketing expenditure was \$433,303 (2023: \$772,312) of which employee related expenditure contributed \$272,181 (2023: \$413,344).

Non-cash expenditures recorded (within the three categories of expenditure – General and Administration, Research and Development, and Sales and Marketing) for the reporting period included:

- › amortisation of intangible assets \$947,514 (2023: \$944,933) for the hTERT and Molecular NETs intangible assets and \$28,385 (2023: \$20,030) related to granted patents;
- › depreciation of right-of-use assets (required by accounting standard AASB16 – Leases) \$275,753 (2023: \$274,998);
- › depreciation of building improvements \$33,548 (2023: \$33,154) and depreciation of plant and equipment \$158,726 (2023: \$120,617);
- › share based payments expense of \$834,773 (2023: \$285,111);
- › lease liability interest expense, as required by AASB16, \$40,766 (2023: \$59,524).

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# Directors' Report

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The directors present their report together with the financial report of INOVIQ Limited (**INOVIQ** or the **Company**) and its controlled entities (collectively referred to as the **Group**) for the financial year ended 30 June 2024 and the independent auditor's report thereon.

## PRINCIPAL ACTIVITIES

The principal activities of the Group are the development and commercialisation of an innovative portfolio of diagnostic and therapeutic products to enhance patient outcomes for cancer and other diseases. INOVIQ's product portfolio includes products in-market for exosome research and bladder cancer diagnosis, clinical-stage cancer diagnostics for detection and monitoring of breast and ovarian cancers, and an early-stage exosome therapeutic for solid tumours.

## CORPORATE INFORMATION

INOVIQ Limited is a Company limited by shares and is incorporated and domiciled in Australia. It is the ultimate legal parent entity of the INOVIQ Group. As at 30 June 2024 it had one operating wholly owned subsidiary, Sienna Cancer Diagnostics Ltd (an Australian public company).

## DIRECTORS

The names and details of the directors of the Company in office during the year ended 30 June 2024 and until the date of this report are as follows (Directors were in office for this entire period unless otherwise stated):



### MR DAVID WILLIAMS

**Non-Executive Chairman (appointed 29 November 2023)**

Mr Williams 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 (ASX:PNV), Chairman of RMA Global (ASX:RMY) and is Managing Director of corporate advisory firm Kidder Williams.

David is also a former Chairman and Non-Executive of Medical Developments International Ltd (ASX: MVP). Mr Williams is Chair of the INOVIQ Limited Remuneration Committee.



### DR GEOFFREY CUMMING BSc (Hons) BAppSc PhD MBA MAICD

**Non-Executive Director (appointed 28 July 2020 and served as Non Executive Chairman until 29 November 2023 and Non-Executive Director thereafter)**

Dr Cumming has held senior roles in the global healthcare and biotechnology sector for more than 20 years. As Managing Director, Roche Diagnostic Systems (Oceania), Dr Cumming transformed the loss-making entity the Swiss parent was intending to divest, into the fastest growing and most profitable affiliate in the Roche group. In his role as Managing Director/CEO of Biosceptre International Ltd, Dr Cumming was successful in designing and securing key funding arrangements

through a skilful range of capital raising initiatives, including large government grants, partnering and co-development deals. His most recent executive role was as Managing Director/CEO of Anteo Diagnostics Ltd (ASX: ADO). He is currently a Non-executive Director of Anteo Diagnostics Ltd and was previously Chairman of Sienna Cancer Diagnostics Ltd and a Non-executive Director of Medical Australia Ltd (ASX: MLA).

Dr Cumming is a member of the INOVIQ Limited Remuneration Committee and a member of the Audit & Risk Committee. Dr Cumming has not been a director of any listed companies in the last three years other than those listed above.



### MR ROBERT (MAX) JOHNSTON

**Non-Executive Director (appointed 17 June 2019)**

Mr Johnston held the position of President and Chief Executive Officer of Johnson & Johnson Pacific, a division of the world's largest medical, pharmaceutical and consumer healthcare company for 11 years. Prior to joining Johnson & Johnson, Mr Johnston's career also included senior roles with Diageo and Unilever in Australia, Africa, and Europe. Mr Johnston has also held several prominent industry roles as a past President of ACCORD Australasia Limited, a former Vice Chairman of the Australian Food and Grocery Council and a former member of the board of

the Australian Self Medication Industry (ASMI). Mr Johnston has had extensive overseas experience during his career in leading businesses in both Western and Central-Eastern Europe and Africa as well as the Asia-Pacific region. Mr Johnston is a current Non-Executive Director of Neurotech International Limited (ASX: NTI). Mr Johnston is a former Non-Executive Director of Medical Developments International Ltd (ASX: MVP), Tissue Repair Ltd (ASX: TRP), Enero Group Limited (ASX: EGG) and PolyNovo Ltd (ASX: PNV), and a former Non-Executive Chairman of Probiotec Ltd (ASX: PBP) and AusCann Group Holdings Ltd (ASX: AC8).

Mr Johnston is a member of the Company's Remuneration and Audit & Risk Committees. Mr Johnston has not been a director of any listed companies in the last three years other than those listed above.



**MR PHILIP POWELL BComm (Hons) ACA MAICD**

**Non-Executive Director**

(appointed 17 June 2019)

Mr Powell is a Chartered Accountant with extensive experience in investment banking, specialising in capital raisings, initial public offerings (IPOs), mergers and acquisitions and other successful corporate finance assignments across a diverse range of sectors including pharma, utilities, IT, financial services, food, and agriculture. He spent 10 years in senior financial roles at OAMPS Ltd, a former ASX-listed financial services group, and 10 years in audit with Arthur Andersen & Co in

Melbourne, Sydney, and Los Angeles. Mr Powell was a former Non-Executive Director of RMA Global Ltd (ASX: RMY), PolyNovo Ltd (ASX: PNV) and Medical Developments International Ltd (ASX: MVP).

Mr Powell is the Chair of the Company's Audit & Risk Committee.

Mr Powell has not been a director of any listed companies in the last three years other than those listed above.

## INTERESTS IN THE SHARES AND OPTIONS OF THE COMPANY AND RELATED BODIES CORPORATE

As at the date of issuing this report, the interests of the current directors in the shares of the Company were:

	Ordinary Shares	Options
Mr David Williams	4,999,337	6,450,000
Dr Geoffrey Cumming	177,414	250,000
Mr Max Johnston	404,310	250,000
Mr Philip Powell	474,630	250,000

## EXECUTIVE MANAGEMENT AND COMPANY SECRETARY

### CHIEF EXECUTIVE OFFICER

**DR LEEARNE HINCH BSc BVMS MBA**

(appointed 7 November 2016)

Dr Hinch is a seasoned biotechnology CEO and entrepreneur with a proven track record in corporate strategy, business management, capital raising, investor relations, M&A, business development and partnering. Leearne has successfully led INOVIQ's transformation from a single-asset diagnostics company to a diversified biotech, through M&A, advancing its cancer diagnostics and therapeutics pipeline, securing a global commercial partner for its proprietary exosome capture tools and building an experienced team. She previously established lifesciences consulting firm Ingeneus Solutions Pty Ltd and has held past leadership roles as a biotechnology executive and consultant at Eustralis Pharmaceuticals Ltd, HealthLinx Ltd (ASX: HTX), OBJ Ltd (ASX: OBJ), Holista Colltech Ltd (ASX: HCT) and Chemeq Ltd (ASX: CMQ), where she gained extensive experience leading strategic, development and commercial programs across diagnostics, medical devices and therapeutics. Dr Hinch holds Bachelor of Science, Bachelor of Veterinary Medicine and Surgery and Master of Business Administration qualifications.

### CHIEF SCIENTIFIC OFFICER

**DR GREGORY RICE PhD BSc (Hon) MHA Grad Dip Mgt**

(appointed 20 September 2021)

Dr Rice is an internationally recognised academic and commercial scientist with over 30 years' expertise and experience in oncology, perinatology, exosome-based research, clinical translational research, IVD development and commercialisation. He has held senior academic appointments, co-founded hospital-based clinical research centres in both oncology and perinatology, and co-founded and led diagnostic companies. He is an award-winning scientist with a strong international profile and clinical research networks. He has published more than 280 peer-reviewed scientific publications and is a regular invited speaker at international conferences. He has held numerous academic leadership positions including at the University of Queensland (UQ), Baker Heart and Diabetes Institute, University of Melbourne, and Monash University. As Director of the UQ Centre for Clinical Diagnostics, he established the Centre, implemented an ISO17025 quality management system, secured NATA accreditation, and established an exosome research facility to evaluate the clinical utility of extracellular vesicles as liquid biopsies, IVDs and therapeutics. Additionally, he was a Founding Director and CSO of diagnostics company HealthLinx Ltd (ASX: HTX) and more recently CEO of Pregnostica SpA. His academic qualifications include a Doctor of Philosophy and Bachelor of Science (First Class Honours) from the University of Western Australia and a Graduate Diploma in Management and Master of Health Administration from RMIT University.

## CHIEF FINANCIAL OFFICER AND COMPANY SECRETARY

### MR MARK EDWARDS BAcc CA

(appointed 2 November 2022)

Mr Edwards is a highly experienced and capable CFO and Company Secretary with expertise in financial leadership and management, corporate governance, investor relations and corporate transactions. Mr Edwards was previously CFO and Company Secretary at Medical Developments International Ltd (ASX: MVP) for 8 years, where he managed over \$60 million in capital raisings, relocated the head office and manufacturing facility, established global infrastructure and operations and oversaw multiple new product launches. Previously he was Head of Finance and Company Secretary at Cogstate Ltd (ASX: CGS) and an Audit Senior Manager at Ernst & Young (EY) for 14 years, leading and managing professional staff in all aspects of audit, financial reporting, analysis and internal control across Manufacturing, Retail and Consumer Goods sectors, which included ASX listed clients.

## FORMER KEY MANAGEMENT PERSONNEL

## CHIEF FINANCIAL OFFICER AND COMPANY SECRETARY

### MR TONY DI PIETRO BComm CA AGIA MAICD

(appointed 28 July 2020 and resigned on 11 November 2022)

Mr Di Pietro is a Chartered Accountant with significant corporate accounting experience, gained both in Australia and the UK. He holds a Graduate Diploma of Applied Corporate Governance from the Governance Institute of Australia and is a member of the Australian Institute of Company Directors. Tony is a finance executive with extensive technical accounting, corporate tax, and company secretarial experience. Mr Di Pietro has held senior roles within the Biotechnology/MedTech industry for the past 15 years including Sienna Cancer Diagnostics Ltd and Acrux Ltd. Tony played a significant role in the ASX listing of both Sienna and Acrux and the merger between Sienna and BARD1. He also gained valuable experience in other industry sectors, employed by companies such as BHP Ltd, ExxonMobil Ltd, HSBC Ltd and Wilson Group.

## REVIEW OF OPERATIONS

Information on the operations of the Group during the financial year and up to the date of this report is set out separately in the Annual Report under Review of Operations.

## MATERIAL BUSINESS RISKS AND INHERENT RISKS OF INVESTMENT IN BIOTECHNOLOGY COMPANIES

There are several inherent risk factors both specific to the development and commercialisation of medical devices, including diagnostics to a marketable stage which may impact the future operating, financial performance and viability of The Group.

The material business risks that are likely to influence the prospects of the Group include:

Risk	Explanation
<b>Product Development</b>	<p>There are many risks inherent in the development of diagnostic and therapeutic products, including that projects can be delayed or fail to meet outcomes or demonstrate any clinical benefit, or research may cease to be viable for a range of scientific, regulatory and commercial reasons.</p> <p>INOVIQ's diagnostic and therapeutic pipeline will require further research, development and future clinical studies, which carry the risk of technology transfer failure, clinical validation failure and other potential adverse outcomes.</p> <p>Regulatory review and approval may be required to conduct clinical studies in some jurisdictions, and there is no assurance that any regulatory or review body will allow INOVIQ to undertake such studies or that approvals to conduct such studies will be granted in a timely manner. Any delays in securing relevant approvals from regulatory or review bodies may result in substantial delays and/or increases in costs.</p>

Risk	Explanation
<b>Commercialisation</b>	<p>It is likely that INOVIQ will need to form marketing and/or product development alliances with third parties for INOVIQ products in countries which INOVIQ seeks to commercialise (subject to ongoing legal and regulatory compliance and financial viability to market or develop such products). INOVIQ will rely on its ability and that of its partners to develop and commercialise its products to create future revenue. Any products developed by INOVIQ will require extensive clinical testing, regulatory approval and significant marketing efforts before they can be sold and generate revenue. INOVIQ's efforts to generate revenue may not succeed for several reasons including issues or delays in the development, testing, regulatory approval, marketing or reimbursement of these products or services. There is no assurance that suitable partnerships will be secured for commercialisation of INOVIQ products, which may have adverse impacts on INOVIQ's operating results and financial position.</p> <p>Additionally, should INOVIQ elect to commercialise its products directly in any countries, it would be required to invest significant time and resources to build direct sales, distribution and marketing capabilities, and it would be required to ensure compliance with all legal and regulatory requirements for sales, marketing and distribution. Furthermore, even if INOVIQ does achieve commercialisation of any of its products and services, it may not be able to sustain its efforts or otherwise achieve commercialisation to a degree which would support the ongoing viability of its operations.</p> <p>A failure to successfully develop and commercialise INOVIQ's products could lead to a loss of opportunities and adversely impact on INOVIQ's operating results and financial position. In those countries where INOVIQ seeks to commercialise its products through distributors or other third parties, INOVIQ will rely heavily on the ability of its partners to effectively market and sell its products and services.</p>
<b>Intellectual Property Protection</b>	<p>The value of INOVIQ is strongly linked to its intellectual property. As of 30 June 2024, the Company had 21 granted patents, 15 pending patent applications and 2 provisional applications across hTERT, Molecular NETs, BARD1 and SubB2M technology platforms. Maintaining this value is therefore dependent on INOVIQ's ability to protect its intellectual property. There is no guarantee that INOVIQ's patent rights comprise all the rights that INOVIQ needs to be entitled to freely use and commercialise its products. If third party patents or patent applications contain claims infringed by INOVIQ's technology and these claims are valid, INOVIQ may be unable to obtain licences to these patents at a reasonable cost, if at all, and may also be unable to develop or obtain alternative technology. If such licences cannot be obtained at a reasonable cost, the business could be significantly impacted. Furthermore, the enforceability of the patents owned by INOVIQ may be challenged and INOVIQ's patents could be partially or wholly invalidated following challenges by third parties. Each jurisdiction has its own patent laws and particular requirements that need to be met for the grant of a patent. There may be changes to patent law or its interpretation by the courts in a particular jurisdiction from time to time, which may have an impact on patents in the relevant country.</p> <p>There is no guarantee that any further patent applications will be granted or that the Company's owned and licensed patent rights comprise all the rights that the Company should have acquired to be entitled to freely use and commercialise its products.</p>
<b>Competition</b>	<p>INOVIQ operates in the life sciences industry that is highly competitive and includes companies that have substantially greater financial, technical, research and development, and marketing resources than INOVIQ. There are companies that compete with INOVIQ's efforts to develop, validate and commercialise its research tools, diagnostic and therapeutic products and pipeline candidates. INOVIQ's competitors may discover, develop, validate and commercialise products in advance of INOVIQ, and/or products that are more effective, more economical or materially superior to those developed by INOVIQ. Rapid technology advancement may cause INOVIQ's current or future technologies and products to become obsolete or uncompetitive, resulting in adverse effects on INOVIQ's revenues, margins and ultimately its profitability.</p>

## Directors' Report continued

Risk	Explanation
<b>Government and Regulatory Factors</b>	<p>The diagnostic and therapeutic industry is regulated in Australia, the United States, Europe and other countries in which INOVIQ may conduct business operations or seek to commercialise its products. INOVIQ has not yet formally engaged with the TGA (Australia), FDA (USA), Notified Bodies (Europe) and other regulatory authorities to establish the optimal regulatory pathway/s and clinical study plans for its diagnostic or therapeutic products in key jurisdictions. While INOVIQ is not aware of any reason why its cancer diagnostic and therapeutic pipeline products would not be able to advance to clinical stage, INOVIQ cannot guarantee that this will occur in a timely manner or at all. Additionally, INOVIQ may fail to gain marketing or regulatory approval in Australia, the US, EU, or other jurisdictions for its cancer diagnostic and/or therapeutic products.</p> <p>INOVIQ will be subject to the laws and regulations of Australia and each country in which it operates. Any amendment to existing legislation or regulations in countries where INOVIQ operates and plans to operate may adversely affect INOVIQ's business operations. Any actual or alleged breach of such legislation or regulation could result in INOVIQ being subject to remedial actions, such as product recalls, or penalties, or litigation, which may be more stringent than those in Australia. Additionally, following commercialisation of any INOVIQ products (which may not occur), INOVIQ will be subject to the laws and regulations concerning the post market surveillance of medical device products in the market.</p> <p>Changes in government legislation and policy in those jurisdictions in which INOVIQ operates or plans to operate, in particular changes in taxation, royalties, compliance with environmental regulations, export, workplace health and safety, chain of responsibility, intellectual property, customs, tariffs, franchising and competition laws, may affect the future earnings, asset values and the relative attractiveness of investing in INOVIQ. Furthermore, INOVIQ operates in foreign jurisdictions where business may be affected by changes implemented by foreign governments.</p>
<b>Manufacturing Production Risks</b>	<p>Production of antibodies, proteins, exosomes, other test reagents or final diagnostic or therapeutic products for INOVIQ such as its hTERT, SubB2M, EXO-NET or therapeutic exosome products should be a low risk undertaking for an experienced and capable manufacturer. Nevertheless, there is some risk that batches manufactured for sale do not pass acceptance testing or are rejected for quality control reasons, leading to an inability to supply reagents or products to the market.</p>
<b>Healthcare Insurers and Reimbursement</b>	<p>In both domestic and foreign markets, sales of products are likely to depend in part upon the availability and amounts of reimbursement from third party healthcare payer organisations, including government agencies, private healthcare insurers, self-insured employee plans and other healthcare payers such as health maintenance organisations. In most major markets, there is considerable pressure to reduce the cost of healthcare. No assurance can be given that reimbursement will continue to be provided by such payors at all, or without substantial delay, or that reimbursement amounts will be sufficient to enable the Company to sell products developed on a profitable basis.</p>
<b>Special Reputational Risks</b>	<p>Any INOVIQ products that are successfully commercialised will be marketed in an industry where a product failure could have serious consequences. Any product failure, product recall or product liability claim is likely to disrupt INOVIQ's business operations and may cause reputational harm by leading medical professionals and other consumers to doubt product accuracy, safety or quality, adversely impacting INOVIQ's financial performance. Additionally, any negative news or controversies about the diagnostics or therapeutics industry, exosomes, cancer diagnostic or therapeutic products or INOVIQ may impact INOVIQ's reputation and/or the market acceptance of its products.</p>
<b>Foreign Exchange Risk</b>	<p>INOVIQ's financial reports are prepared in AUD. However, INOVIQ earns revenues denominated in USD and incurs expenditure denominated in USD. INOVIQ does not currently hedge against movements in foreign exchange rates. Any adverse movements in currencies against the AUD could adversely impact INOVIQ's financial performance and position.</p>
<b>ASX Listing</b>	<p>ASX imposes various listing obligations on INOVIQ which must be complied with on an ongoing basis. While INOVIQ must comply with its listing obligations, there can be no assurance that the requirements necessary to maintain the listing of INOVIQ's securities on the securities exchange operated by ASX, will continue to be met or will remain unchanged.</p>



Risk	Explanation
<b>Product Liability</b>	The testing, marketing and future sale of INOVIQ's products whether directly or through future licensees involves a risk of product liability claims or litigation being brought against INOVIQ, including if any products fail to effectively diagnose or treat cancer in accordance with its product claims. If this occurs, INOVIQ may have to expend significant financial resources to defend any proceedings. Furthermore, if the action against INOVIQ is successful, this may result in the removal of regulatory approval for the relevant products and/or monetary damages being awarded against INOVIQ. INOVIQ will seek to limit its liability for such claims in its agreements with future licensees and customers and may also be entitled to be indemnified by its licensees in various circumstances. However, limitations of liability are not necessarily effective at law and indemnification may not always be available. INOVIQ intends to maintain product liability insurance in respect of its products. However, if INOVIQ is unable to obtain sufficient product liability insurance at an acceptable cost then INOVIQ's liability could exceed INOVIQ's insurance coverage.
<b>Reliance on Key Personnel</b>	INOVIQ currently employs a number of key management and scientific personnel and seeks to engage further personnel. The failure to recruit new personnel, or the loss of any existing personnel could materially and adversely affect INOVIQ and may impede the achievement of its research, product development and commercialisation objectives. There can be no assurance that INOVIQ will be able to attract, retain and motivate appropriately qualified and experienced additional staff and this may adversely affect INOVIQ's prospects for success.
<b>Unforeseen Expenses</b>	INOVIQ may be subject to significant unforeseen expenses or actions. This may include unplanned operating expenses, future legal actions or expenses in relation to future unforeseen events.
<b>Insurance Risks</b>	Although INOVIQ maintains insurance, no assurance can be given that adequate insurance will continue to be available to INOVIQ in the future on commercially acceptable terms.
<b>Accounting Standards</b>	Australian Accounting Standards (AAS) are adopted by the Australian Accounting Standards Board (AASB) and are not within the control of INOVIQ or its directors. The AASB may, from time to time, introduce new or refined AAS, which may affect the future measurement and recognition of key statement of profit or loss and statement of financial position items. There is also a risk that interpretation of existing AAS, including those relating to the measurement and recognition of key statement of profit or loss or statement of financial position items may differ. Any changes to the AAS or to the interpretation of those standards may have an adverse effect on the reported financial performance and position of INOVIQ.
<b>Funding</b>	Companies such as INOVIQ are dependent on the success of their research and development projects and their ability to attract funding to support these activities. Investment in research and development projects cannot be assessed on the same fundamentals as other trading enterprises and access to capital and funding for the Group and its projects going forward cannot be guaranteed. Investment in companies specialising in research projects, such as INOVIQ, should be regarded as highly speculative. INOVIQ strongly recommends that professional investment advice be sought prior to individuals making such investments.
<b>Force Majeure Events</b>	Events may occur within or outside Australia that could impact on global, Australian or other local economies relevant to INOVIQ's financial performance, the operations of INOVIQ and the price of INOVIQ securities. These events include but are not limited to acts of terrorism, an outbreak of international hostilities, fires, floods, earthquakes, labour strikes, civil wars, natural disasters, outbreaks of disease or other man-made or natural events or occurrences that can have an adverse effect on the demand for INOVIQ's services and its ability to conduct business. INOVIQ has only a limited ability to insure against some of these risks.
<b>Climate Risk</b>	Natural events caused or affected by changing climate can have an impact on INOVIQ's business. Conditions may influence the supply of and demand for diagnostics products and services provided by INOVIQ, resulting in varied revenue levels. Climate change may have financial implications for INOVIQ and could potentially cause direct damage to assets and indirect impacts caused by supply chain or product distribution disruption. It is also possible that climate change may result in an increased cancer risk which would result in greater demand for diagnostic products. However, at this stage, it is not possible to quantify that potential increased demand (if any).

# Directors' Report continued

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## FORWARD-LOOKING STATEMENTS

Certain statements in this Annual Report contain forward-looking statements regarding the Company's business and the technical and commercial potential of its technologies and products in development. Any statement describing the Company's goals, expectations, intentions, or beliefs is a forward-looking statement and should be considered an at-risk statement. Such statements are subject to certain risks and uncertainties, particularly those risks or uncertainties inherent in the process of discovering, developing, and commercialising medical devices that can be proven to be safe and effective for use in humans, and in the endeavour of building a business around such products and services. INOVIQ undertakes no obligation to publicly update any forward-looking statement, whether as a result of new information, future events, or otherwise. Actual results could differ materially from those discussed in this Annual Report. As a result, readers of this report are cautioned not to rely on forward-looking statements.

## ROUNDING

No rounding has been applied to the amounts contained in the financial report under the option available to the Company under ASIC Corporations (Rounding in Financial/Director's report) instrument 2016/191. The Company is an entity to which the legislative instrument applies.

## SIGNIFICANT EVENTS AFTER THE BALANCE DATE

The following announcement was made via the ASX announcement platform since the end of the reporting period:

- On 5 July 2024, the Company announced the completion of the Share Purchase Plan (SPP) component of the capital raise announced on 12 June 2024. The SPP raised \$2.379m (gross) post 30 June 2024 and issued 4,758,000 shares and 2,378,914 listed options on 9 July 2024;
- 6,749,999 listed options attaching to the June 2024 placement were also issued on 9 July 2024; and
- On 20 August 2024, the Company announced that it had further validated its NEURO-NET technology for isolation of brain-derived exosomes in Parkinsons' Disease.

At the date of this report, other than that outlined above, there have been no matters or circumstances that have arisen since the end of the period which significantly, or may significantly effect:

- The Group's operations in future years;
- The results of those operations in future years; or
- The Group's state of affairs in future years.

## SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

Other than those outlined in this report there were no other significant changes in the state of affairs of the Company during the period.

## FINANCIAL POSITION

The net assets of the Group at 30 June 2024 totalled \$19,986,328 (2023: \$19,615,397).

Total assets at 30 June 2024 totalled \$21,705,703 (2023: \$21,508,818). The Group had cash and cash equivalents of \$9,233,192 at 30 June 2024 (2023: \$7,812,511).

## DIVIDENDS

No dividend has been declared, provided for or paid in respect of the year ended 30 June 2024 or 30 June 2023.

## INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

The Company has insurance in place to indemnify directors of the Company against liability incurred to a third party (not being the Company or a related party) that may arise from their position as directors or officers of the Company.

In accordance with subsection 300(9) of the *Corporations Act 2001*, further details have not been disclosed due to confidentiality provisions of the insurance contracts.

## INDEMNIFICATION OF AUDITORS

The Group has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the Group or any related entity against a liability incurred by the auditor. During the financial year, the Group has not paid a premium in respect of a contract to insure the auditor of the Group or any related entity.

## INTERESTS IN CONTRACTS OR PROPOSED CONTRACTS WITH THE COMPANY

During the financial year, no director has had any interest in a contract or proposed contract with the Company being an interest the nature of which has been declared by the director in accordance with Section 300(11)(d) of the *Corporations Act 2001* except for the contracts of the executive and non-executive director which are disclosed in the remuneration report.

## DIRECTORS' MEETINGS

The following table sets out the number of meetings of the Company's directors held during the year ending 30 June 2024 and the number of meetings attended by each director.

	Directors' Meetings		Audit Committee		Remuneration Committee	
	No. of meetings held while in office	Meetings attended	No. of meetings held while in office	Meetings attended	No. of meetings held while in office	Meetings attended
Mr David Williams	8	8	N/A	N/A	N/A	N/A
Dr Geoffrey Cumming	11	11	2	2	1	1
Mr Max Johnston	11	11	2	2	1	1
Mr Philip Powell	11	11	2	2	N/A	N/A

Mr David Williams joined the Board on 29 November 2023 and was therefore only eligible to attend 8 Board meetings.

## REMUNERATION REPORT (AUDITED)

This Remuneration Report outlines the director and executive remuneration arrangements of the Group in accordance with the requirements of the *Corporations Act 2001* and its Regulations. For the purposes of this report Key Management Personnel (KMP) of the Group are defined as those persons having the authority and responsibility for planning, directing, and controlling the major activities of the Group. The remuneration report has been audited as required by section 300A of the *Corporations Act 2001*.

## USE OF REMUNERATION CONSULTANTS

Independent external advice is sought from remuneration consultants when required, however no advice has been sought during the period ended 30 June 2024.

## REMUNERATION POLICY

The Group has designed its compensation policies to ensure significant linkage between rewards and specific achievements that are intended to improve shareholder wealth. In assessing the link between the Group performance and compensation policy, it must be recognised that biotechnology companies generally do not make a profit until a drug or device is licensed or commercialised, either of which takes a number of years. Furthermore, the biotechnology sector as a whole is highly volatile, significantly driven by market sentiment and inherently high risk. Therefore, the direct correlation of compensation policy and traditional financial performance measures is not appropriate. As an alternative, key milestones are a more meaningful measure of performance to correlate levels of compensation. These milestones are discrete achievements and can be used to evaluate the Group's progress towards commercialising its various projects.

The Board recognises that the performance of the Company depends upon the quality of its Directors and Executives and to this end the Company is aware that it must attract, motivate, and retain experienced Directors and Executives. The Board assesses the appropriateness of the nature and amount of emoluments of such officers on a periodic basis by reference to relevant employment market conditions with the overall objective of ensuring maximum stakeholder benefit from the retention of a high-quality Board and executive team. Such officers are given the opportunity to receive their base emolument in the form of salary and fringe benefits such as motor vehicle benefits.

In accordance with best practice governance, the structure of Non-Executive Directors and senior executive remuneration is separate and distinct. It should be noted that the amount of salary and the grant of options is at the discretion of the board of directors. The Board seeks to set aggregate remuneration at a level which provides the Company with the ability to attract and retain Directors of the highest calibre, whilst incurring a cost which is acceptable to Shareholders.

The Company's Constitution and ASX Listing Rules specify that aggregate remuneration of Non-Executive Directors shall be determined from time to time by a general meeting of Shareholders. Approval by Shareholders was granted at a general meeting on 14 November 2019 to pay Non-Executive Directors an aggregate amount of up to \$400,000 per annum. The Board considers fees paid to Non-Executive Directors of comparable companies when undertaking the annual review process. Each Non-Executive Director may also receive an equity-based component where approval has been received from Shareholders in a general meeting.

The Company's Remuneration Committee was established on 25 February 2020 and consists of three members being David Williams (Chair), Max Johnson and Dr Geoff Cumming. All Remuneration Committee members are Non-Executives of the Company. Remuneration for directors and executives are not linked directly to the performance of the economic entity.

The Company has or had Employment Agreements in place with Mr Williams, Dr Cumming, Mr Powell, Mr Johnson, Dr Hinch, Dr Rice and Mr Edwards. The major provisions of each of the agreements relating to compensation are set out below.

## Directors' Report continued

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### **Mr David Williams (appointed 29 November 2023)**

Mr David Williams has a Letter of Appointment with the Company dated 14 November 2023 to perform the role of Non-Executive Chairman for an annual base fee of \$90,090 plus superannuation entitlement (current at 30 June 2024). Mr Williams is not entitled to a termination or redundancy benefit.

### **Dr Cumming (appointed 28 July 2020)**

Dr Geoffrey Cumming has a Letter of Appointment with the Company dated 23 July 2020 and was Non-Executive Chairman until the appointment of Mr Williams. As a Non-Executive Director Mr Cumming receives an annual base fee of \$60,000 plus superannuation entitlement (current at 30 June 2024). Dr Cumming is not entitled to a termination or redundancy benefit.

### **Mr Johnston and Mr Powell (appointed 17 June 2019)**

Mr Max Johnston and Mr Philip Powell have Letters of Agreement with the Company dated 17 June 2019 to perform the role of Non-Executive Director for an annual base fee of \$60,000 plus superannuation entitlement (current at 30 June 2024). Both Directors are not entitled to a termination or redundancy benefit.

### **Dr Hinch (appointed 7 November 2016)**

Dr Leeanne Hinch has an Executive Employment Agreement with the Company dated 7 November 2016 to perform the role of Chief Executive Officer, under which Dr Hinch is paid a total fixed remuneration of \$422,601 per annum plus superannuation payable under the Superannuation Guarantee Act (current at 30 June 2024). This arrangement can be terminated by either party by providing 6 months written notice, which based on current remuneration rates would amount to a termination payment of up to \$210,034 if the full notice period is not served.

A Short-Term Incentive (STI) bonus of \$42,500 was paid during the financial year for the achievement of agreed key performance indicators (KPIs) for the 12 months to 30 June 2023. This STI was paid in November 2023.

Dr Hinch may also be eligible for a Long-Term Incentive (LTI), being the grant of options. 250,000 options were issued to Dr Hinch during the financial year.

### **Dr Rice (appointed 20 September 2021)**

Dr Greg Rice has an Employment Agreement with the Company dated 20 September 2021 to perform the role of Chief Scientific Officer of the Group with a total fixed remuneration of \$282,601 per annum plus superannuation entitlement (current at 30 June 2024). This arrangement can be terminated by either party providing 3 months written notice, which based on current remuneration rates would amount to a termination payment of up to \$68,677 if the full notice period is not served.

A Short-Term Incentive (STI) bonus of \$15,000 was paid during the financial year for the achievement of agreed key performance indicators (KPIs) for the 30 June 2023 year. This STI was paid in November 2023.

Dr Rice was granted a further 50,000 options during the financial year.

### **Mr Edwards (appointed 2 November 2022)**

Mr Mark Edwards has an Employment Agreement with the Group dated 21 September 2022 to perform the role of Chief Financial Officer and Company Secretary with a total fixed remuneration of \$267,601 plus superannuation entitlement (current at 30 June 2024). The arrangement can be terminated by either party providing 3 months written notice.

A Short-Term Incentive (STI) bonus of \$15,000 was paid during the financial year for the achievement of agreed key performance indicators (KPIs) for the 30 June 2023 year. This STI was paid in November 2023.

At the date of this report the Company does not have any other consultancy or employment agreements in place with KMP.

## REMUNERATION OF KEY MANAGEMENT PERSONNEL

		Short Term Benefits Salary & Fees \$	Bonus* \$	Post - Employment Benefits Superannuation \$	Long Term Benefits \$	Share Based Payments (Options) <sup>#</sup> \$	Total \$	Percentage (%)	
								Fixed Rem.	Variable Rem.
D Williams <sup>1</sup>	<b>2024</b>	<b>52,552</b>	-	<b>5,781</b>	-	<b>671,479</b>	<b>729,812</b>	<b>8%</b>	<b>92%</b>
Chairman	2023	-	-	-	-	-	-	-	-
G Cumming	<b>2024</b>	<b>67,500</b>	-	<b>7,425</b>	-	-	<b>74,925</b>	<b>100%</b>	-
Non-Exec Director	2023	75,000	-	7,875	-	51,304	134,179	62%	38%
P Powell	<b>2024</b>	<b>56,667</b>	-	<b>6,233</b>	-	-	<b>62,900</b>	<b>100%</b>	-
Non-Exec Director	2023	50,000	-	5,250	-	51,304	106,554	52%	48%
M Johnston	<b>2024</b>	<b>56,667</b>	-	<b>6,233</b>	-	-	<b>62,900</b>	<b>100%</b>	-
Non-Exec Director	2023	50,000	-	5,250	-	51,304	106,554	52%	48%
A Cripps	<b>2024</b>	-	-	-	-	-	-	-	-
Non-Exec Director	2023	25,000	-	2,625	-	51,304	78,929	35%	65%
L Hinch	<b>2024</b>	<b>414,365</b>	<b>42,500</b>	<b>27,399</b>	<b>11,405</b>	<b>113,642</b>	<b>609,311</b>	<b>74%</b>	<b>26%</b>
CEO	2023	396,072	60,000	25,292	14,888	61,859	558,111	78%	22%
Mark Edwards <sup>2</sup>	<b>2024</b>	<b>262,601</b>	<b>15,000</b>	<b>27,399</b>	<b>1,338</b>	<b>16,535</b>	<b>322,873</b>	<b>90%</b>	<b>10%</b>
CFO and Co Sec	2023	168,280	-	17,669	385	17,035	203,369	92%	8%
G Rice	<b>2024</b>	<b>279,268</b>	<b>15,000</b>	<b>27,399</b>	<b>5,431</b>	<b>23,149</b>	<b>350,247</b>	<b>89%</b>	<b>11%</b>
CSO	2023	270,590	21,176	25,292	1,766	41,835	360,659	83%	17%
T Di Pietro <sup>3</sup>	<b>2024</b>	-	-	-	-	-	-	-	-
CFO and Co Sec	2023	159,380	-	9,499	-	-	168,879	100%	-
<b>Total</b>	<b>2024</b>	<b>1,189,620</b>	<b>72,500</b>	<b>107,869</b>	<b>18,174</b>	<b>824,805</b>	<b>2,212,968</b>	<b>59%</b>	<b>41%</b>
<b>Total</b>	2023	1,194,322	81,176	98,752	17,039	325,945	1,717,234	76%	24%

1 D Williams appointed 29 November 2023

2 M Edwards appointed 2 November 2022

3 T Di Pietro appointed 28 July 2020 and resigned 11 November 2022

# The amounts reported represent non-cash expense required to be calculated under accounting standard AASB 2 - Share-based Payments

\* Bonuses were determined by the Board for the achievement of agreed key performance indicators. The KPI's achieved include a range of operational initiatives and research and product development milestones.

## GROUP PERFORMANCE

The table below shows the performance of the Group as measured by the Group's closing share price and EPS over the last five years.

	12 months ended 30 June 2020	12 months ended 30 June 2021 <sup>#</sup>	12 months ended 30 June 2022	12 months ended 30 June 2023	12 months ended 30 June 2024
Closing share price	\$0.027	\$1.88	\$0.39	\$0.85	<b>\$0.56</b>
Loss after tax (\$)	(3,253,553)	(11,150,880)	(18,195,977)	(8,969,241)	<b>(6,554,350)</b>
EPS (\$ per share)	(0.0022)	(0.1443)	(0.2003)	(0.0975)	<b>(0.0709)</b>

# Data included for these financial years are impacted by a consolidation of securities in December 2020 on the basis of 1 security for every 30 securities held.

# Directors' Report continued

## SHARE OPTIONS

### Shares issued as a result of the exercise of options

During the financial year the Company issued no new ordinary shares from the exercise of options (2023: Nil).

### Options issued

6,750,000 options were issued to key management personnel under the terms of the IIQ Incentive Option Plan (IOP) during the financial year as follows:

- Mr. David Williams was awarded 6,450,000 options upon his appointment to the role of Non-Executive Chairman which was ratified at the 2023 Annual General Meeting. These options were granted on 29 November 2023. The options are exercisable at \$0.89 per option, vest in six equal tranches – 6, 12, 18, 24, 30 and 36 months from grant date – and each tranche expires 2 years after vesting. The fair value per option at grant date was calculated using a Binomial option pricing model. Options are forfeited if Mr. Williams leaves the employment of INOVIQ before vesting. There are no performance conditions attached to these options. The options were however issued at an exercise price that represented a 45.90% premium to IIQ's share price at the time of issue.
- Dr. Leearne Hinch was awarded 250,000 options in her role as Chief Executive Officer and Dr. Greg Rice was awarded 50,000 options in his role as Chief Scientific Officer. These options were granted on 28 September 2023. The options are exercisable at \$0.845 per option, vest in three equal tranches – 12, 24 and 36 months from grant date – and expire on 28 September 2027. The fair value per option at grant date was \$0.2882 (calculated using a Binomial option pricing model). Options are forfeited if the employee leaves the employment of INOVIQ before vesting. There are no performance conditions attached to these options. The options were however issued at an exercise price that represented a 59.4% premium to IIQ's share price at the time of issue.

In the comparative period 650,000 options were issued to staff members under the terms of the IIQ Incentive Option Plan (IOP) in the previous financial year as follows:

- Mr. Mark Edwards was awarded 150,000 options upon his appointment to the role of Chief Financial Officer and Company Secretary. These options were granted on 2 November 2022. The options are exercisable at \$0.82 per option, vest in three equal tranches – 12, 24 and 36 months from grant date – and expire 2 November 2026. The fair value per option at grant date was \$0.2816 (calculated using a Binomial option pricing model). Options are forfeited if Mr. Edwards leaves the employment of INOVIQ before vesting. There are no performance conditions attached to these options. The options were however issued at an exercise price that represented a 57.6% premium to IIQ's share price at the time of issue.
- Dr. Leearne Hinch was awarded 500,000 options in her role as Chief Executive Officer. These options were granted on 15 December 2022. The options are exercisable at \$1.08 per option, vest in three equal tranches – 12, 24 and 36 months from grant date – and expire 15 December 2026. The fair value per option at grant date was \$0.3734 (calculated using a Binomial option pricing model). Options are forfeited if Dr. Hinch leaves the employment of INOVIQ before vesting. There are no performance conditions attached to these options. The options were however issued at an exercise price that represented a 56.5% premium to IIQ's share price at the time of issue.

## KEY MANAGEMENT PERSONNEL SHAREHOLDINGS

At 30 June 2024 the interests of the key management personnel in the ordinary shares in the Company were:

	Balance Ordinary Shares 30 June 2023	Acquired via Capital Raise (Placement)	Acquired on Market	Balance Ordinary Shares 30 June 2024
Mr David Williams	4,999,337	–	–	<b>4,999,337</b>
Dr Geoffrey Cumming	177,414	–	–	<b>177,414</b>
Max Johnston	404,310	–	–	<b>404,310</b>
Philip Powell	474,630	–	–	<b>474,630</b>
Dr Leearne Hinch	74,354	200,000	–	<b>274,354</b>
Dr Gregory Rice	20,000	40,000	–	<b>60,000</b>
Mark Edwards	–	40,000	–	<b>40,000</b>

## KEY MANAGEMENT PERSONNEL OPTIONS

At 30 June 2024 the interests of the key management personnel in options over ordinary shares in the Company were:

	Balance Options 30 June 2023	Acquired via Capital Raise (Placement)	Granted as Remuneration	Expired	Balance Options 30 June 2024
Mr David Williams	–	–	6,450,000	–	<b>6,450,000</b>
Dr Geoffrey Cumming	552,000	–	–	(302,000)	<b>250,000</b>
Max Johnston	500,000	–	–	(250,000)	<b>250,000</b>
Philip Powell	500,000	–	–	(250,000)	<b>250,000</b>
Dr Leearne Hinch	1,176,344	–	250,000	(509,677)	<b>916,667</b>
Dr Gregory Rice	150,000	–	50,000	–	<b>200,000</b>
Mark Edwards	150,000	–	–	–	<b>150,000</b>

### Loans to Key Management Personnel

There have been no loans to KMP's during the financial year.

### Other Transactions with KMP's

Kidder Williams, a Corporate Advisory and Investment Banking services firm owned by INOVIQ Chairman David Williams, received Corporate Advisory fees from INOVIQ during the year totalling \$70,000 via a financial advisory services agreement.

Kidder Williams also advised INOVIQ on its June 2024 capital raise, receiving \$189,063 for services provided in conjunction with the placement component of the raising.

There have been no other transactions with KMP's during the financial year.

### Voting and comments at the Company's 2023 Annual General Meeting

The Company received 99.42% of the vote in favour of its Remuneration Report for the 2023 financial year. The Company did not receive any specific feedback at the AGM on its remuneration policies.

**\*\* END OF REMUNERATION REPORT \*\***

## Directors' Report continued

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### NON-AUDIT SERVICES

The Company may decide to employ the external auditor on assignments additional to their statutory audit duties, where the auditor's expertise and experience with the Company and the Group are important. The Audit and Risk Committee has considered the position and is satisfied that the provision of the non-audit services did not compromise the auditor for the following reasons:


- All non-audit services are to be reviewed by the Board to ensure they do not impact the impartiality and objectivity of the auditor; and
- None of the services undermine the general principles relating to auditor independence.

There were no non-audit services or other fees paid to Grant Thornton during the year (2023: nil).

### AUDITOR'S INDEPENDENCE DECLARATION

The lead auditor's independence declaration for the twelve months ending 30 June 2024 has been received and can be found on page 31.

Signed in accordance with a resolution of the directors.



**Mr David Williams**  
Non-Executive Chairman

21 August 2024



# Auditor's Independence Declaration



**Grant Thornton Audit Pty Ltd**  
 Level 22 Tower 5  
 Collins Square  
 727 Collins Street  
 Melbourne VIC 3008  
 GPO Box 4736  
 Melbourne VIC 3001  
 T +61 3 8320 2222

## Auditor's Independence Declaration

### To the Directors of INOVIQ Limited

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the audit of INOVIQ Limited for the year ended 30 June 2024, I declare that, to the best of my knowledge and belief, there have been:

- a no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- b no contraventions of any applicable code of professional conduct in relation to the audit.

Grant Thornton Audit Pty Ltd  
 Chartered Accountants

M A Cunningham  
 Partner – Audit & Assurance  
 Melbourne, 21 August 2024

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# Consolidated Statement of Comprehensive Income

for the year ended 30 June 2024

	Note	Consolidated Group	
		For the year ended 30 June 2024 \$	For the year ended 30 June 2023 \$
<b>REVENUE AND COST OF SALES FROM ORDINARY ACTIVITIES</b>			
Product revenue	3	535,118	398,193
Cost of sales		(81,013)	(44,482)
<b>GROSS PROFIT</b>		<b>454,105</b>	353,711
<b>OTHER INCOME</b>			
Research and Development Tax Incentive refund	4	1,026,444	1,094,879
Grant income	4	–	58,130
Interest and miscellaneous income	4	256,581	353,721
<b>TOTAL OTHER INCOME</b>		<b>1,283,025</b>	1,506,730
<b>OPERATING EXPENDITURES</b>			
General and Administration	5	(5,158,586)	(6,832,901)
Research and Development	5	(2,699,591)	(3,224,469)
Sales and Marketing	5	(433,303)	(772,312)
<b>TOTAL OPERATING EXPENDITURES</b>		<b>(8,291,480)</b>	(10,829,682)
<b>LOSS BEFORE INCOME TAX</b>		<b>(6,554,350)</b>	(8,969,241)
Income tax credit/(expense)	6	–	–
<b>LOSS AFTER INCOME TAX</b>		<b>(6,554,350)</b>	(8,969,241)
<b>OTHER COMPREHENSIVE INCOME</b>			
<i>Items that may be subsequently reclassified to operating result</i>			
Foreign currency translation	16	18,266	(206,345)
<b>OTHER COMPREHENSIVE GAIN/(LOSS) FOR THE YEAR, NET OF TAX</b>		<b>18,266</b>	(206,345)
<b>TOTAL COMPREHENSIVE LOSS ATTRIBUTABLE TO THE MEMBERS OF INOVIQ LIMITED</b>		<b>(6,536,084)</b>	(9,175,586)
<b>LOSS PER SHARE:</b>		<b>Cents</b>	<b>Cents</b>
Basic loss per share	18	(7.09)	(9.75)
Diluted loss per share	18	(7.09)	(9.75)

The accompanying notes form part of these financial statements.

# Consolidated Statement of Financial Position

as at 30 June 2024

	Notes	Consolidated Group	
		As at 30 June 2024 \$	As at 30 June 2023 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	7	9,233,192	7,812,511
Trade and other receivables	8	1,274,097	1,193,007
Inventories		17,831	17,815
Prepayments		332,336	380,161
<b>TOTAL CURRENT ASSETS</b>		<b>10,857,456</b>	9,403,494
<b>NON-CURRENT ASSETS</b>			
Building improvements, plant, and equipment	9	829,898	861,845
Intangible assets	10	9,702,289	10,651,666
Goodwill	10	-	-
Right-of-use assets	11	316,060	591,813
<b>TOTAL NON-CURRENT ASSETS</b>		<b>10,848,247</b>	12,105,324
<b>TOTAL ASSETS</b>		<b>21,705,703</b>	21,508,818
<b>CURRENT LIABILITIES</b>			
Trade and other payables	12	920,527	787,796
Lease liability	13	241,482	362,347
Provisions	14	372,806	367,761
<b>TOTAL CURRENT LIABILITIES</b>		<b>1,534,815</b>	1,517,904
<b>NON-CURRENT LIABILITIES</b>			
Lease liability	13	162,253	368,365
Provisions	14	22,307	7,152
Deferred tax liability	6(c)	-	-
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>184,560</b>	375,517
<b>TOTAL LIABILITIES</b>		<b>1,719,375</b>	1,893,421
<b>NET ASSETS</b>		<b>19,986,328</b>	19,615,397
Issued capital	15(a)	75,125,621	69,053,379
Distribution reserve	16	-	-
Share based payment reserve	16	1,803,134	1,679,616
Foreign exchange translation reserve	16	(26,810)	(45,076)
Accumulated losses	17	(56,915,617)	(51,072,522)
<b>TOTAL EQUITY</b>		<b>19,986,328</b>	19,615,397

The accompanying notes form part of these financial statements.

# Consolidated Statement of Changes in Equity

for the year ended 30 June 2024

## For the year ended 30 June 2024

	Issued Capital \$	Accumulated Losses \$	Distribution Reserve \$	Foreign Currency Translation Reserve \$	Share Based Payments Reserve \$	Total Equity \$
<b>At 30 June 2023</b>	<b>69,053,379</b>	<b>(51,072,522)</b>	<b>-</b>	<b>(45,076)</b>	<b>1,679,616</b>	<b>19,615,397</b>
Loss for the year	-	(6,554,350)	-	-	-	(6,554,350)
Other comprehensive income	-	-	-	18,266	-	18,266
<b>Total comprehensive loss for the period</b>	<b>-</b>	<b>(6,554,350)</b>	<b>-</b>	<b>18,266</b>	<b>-</b>	<b>(6,536,084)</b>
Proceeds from issue of shares	6,750,000	-	-	-	-	6,750,000
Transaction costs on issue of shares	(677,758)	-	-	-	-	(677,758)
Share based payments	-	-	-	-	834,773	834,773
Transfer of expired share-based payments	-	711,255	-	-	(711,255)	-
<b>At 30 June 2024</b>	<b>75,125,621</b>	<b>(56,915,617)</b>	<b>-</b>	<b>(26,810)</b>	<b>1,803,134</b>	<b>19,986,328</b>

## For the year ended 30 June 2023

<b>At 30 June 2022</b>	<b>69,053,379</b>	<b>(41,857,526)</b>	<b>(309,421)</b>	<b>(51,766)</b>	<b>1,458,171</b>	<b>28,292,837</b>
Loss for the year	-	(8,969,241)	-	-	-	(8,969,241)
Other comprehensive income	-	-	-	(206,345)	-	(206,345)
<b>Total comprehensive loss for the period</b>	<b>-</b>	<b>(8,969,241)</b>	<b>-</b>	<b>(206,345)</b>	<b>-</b>	<b>(9,175,586)</b>
Reclassification adjustment to income statement on disposal of subsidiary	-	-	-	213,035	-	213,035
Transfer of reserve to accumulated losses on disposal of subsidiary	-	(309,421)	309,421	-	-	-
Share based payments	-	-	-	-	338,684	338,684
Value of options that did not meet vesting conditions	-	-	-	-	(53,573)	(53,573)
Transfer of expired share-based payments	-	63,666	-	-	(63,666)	-
<b>At 30 June 2023</b>	<b>69,053,379</b>	<b>(51,072,522)</b>	<b>-</b>	<b>(45,076)</b>	<b>1,679,616</b>	<b>19,615,397</b>

The accompanying notes form part of these financial statements.

# Consolidated Statement of Cash Flows

for the year ended 30 June 2024

	Notes	Consolidated Group	
		For the year ended 30 June 2024 \$	For the year ended 30 June 2023 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from product income		660,287	377,303
Payment to suppliers and employees		(6,166,197)	(8,303,064)
Legal settlement		-	(1,000,000)
Interest received		274,250	306,736
Interest paid		(40,766)	(59,524)
Grant and other income		-	206,465
Research and Development Tax Incentive		949,502	1,447,510
<b>Net cash flows used in operating activities</b>	7	<b>(4,322,924)</b>	<b>(7,024,574)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of intangibles	10	(13,500)	(18,082)
Building improvements		-	-
Purchase of property, plant, and equipment	9	(160,837)	(274,185)
<b>Net cash (outflow)/inflow from investing activities</b>		<b>(174,337)</b>	<b>(292,267)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Payment of lease liabilities		(326,977)	(267,978)
Proceeds from issue of shares	15(a)	6,750,000	-
Share issue costs		(508,535)	-
<b>Net cash inflow/(outflow) from financing activities</b>		<b>5,914,488</b>	<b>(267,978)</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>		<b>1,417,227</b>	<b>(7,584,819)</b>
Cash and cash equivalents at the beginning of the financial period		7,812,511	15,394,847
Effects of exchange rate changes on balance of cash held in foreign currencies		3,454	2,483
<b>Cash equivalents at the end of the financial period</b>	7	<b>9,233,192</b>	<b>7,812,511</b>

The accompanying notes form part of these financial statements.

# Notes to the Financial Statements

for the year ended 30 June 2024

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## 1 CORPORATE INFORMATION

The financial report of INOVIQ Limited (the Company) and its subsidiaries (the Group) for the year ended 30 June 2024 was authorised for issue in accordance with a resolution of the directors on 21 August 2024.

INOVIQ Limited is a Company limited by shares incorporated and domiciled in Australia and whose shares are publicly traded on the Australian Securities Exchange. The company is a for-profit entity. The principal activities of the Group during the financial year were the research and development of non-invasive diagnostic tests for early detection of cancer.

The Company's registered office is located at 23 Normanby Road, Notting Hill Victoria 3168.

## 2 MATERIAL ACCOUNTING POLICIES

### (A) GOING CONCERN

For the year ended June 30, 2024, the Company incurred a loss after income tax of \$6,554,350 (2023: \$8,969,241). Net cash outflow from operations was \$4,322,924 (2023: \$7,024,574).

The Company expects to continue to incur losses and cash outflows for the foreseeable future as it continues to add resources to continue research and development of its key technology platforms and expand commercial capabilities for the promotion and distribution of EXO-NET and future market opportunities. The Company had \$9,233,192 cash and cash equivalents as at 30 June 2024 and completed its Share Purchase Plan post 30 June which delivered a further \$2,378,914 (gross). The Directors share the view that based upon outflow of cash for operations for the 2024 financial year, its existing cash reserves and a historically proven ability to raise funds from both existing shareholders and equity markets, the Company will be able to fund operations for at least the next 12 months. The financial statements have therefore been prepared on a going concern basis.

### (B) BASIS OF PREPARATION

The financial report is a general-purpose financial report, which has been prepared in accordance with the requirements of the *Corporations Act 2001*, Australian Accounting Standards, and other authoritative pronouncements of the Australian Accounting Standards Board (AASB). The financial statements comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board.

The financial report has been prepared on an accruals basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets, and financial liabilities. The financial report is prepared in Australian dollars.

### (C) COMPLIANCE STATEMENT

The Group has adopted all of the new and revised Standards and Interpretations issued by AASB that are relevant to its operations and effective for annual reporting periods beginning on 1 July 2023.

### (D) NEW OR AMENDED ACCOUNTING STANDARDS AND INTERPRETATIONS ADOPTED

The Group 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. The impact of these standards was not material.

### (E) STATEMENT OF MATERIAL ACCOUNTING POLICIES

#### (i) Basis of Consolidation

The consolidated financial statements comprise the financial statements of INOVIQ Limited and its subsidiaries as at 30 June 2024.

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect its returns.

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

## 2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income, and expenses of a subsidiary acquired or disposed of during the year are included in the Statement of Comprehensive Income from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses, and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- De-recognises the assets (including goodwill) and liabilities of the subsidiary
- De-recognises the carrying amount of any non-controlling interests
- De-recognises the cumulative translation differences recorded in equity
- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in profit or loss
- Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities

### (ii) Revenue

Revenue is recognised at the fair value of the consideration received net of the amount of goods and services tax (GST) payable to the taxation authority.

#### *Product Revenue*

The Group sells hTERT and NETs Research Use Only (RUO) products to its customers. Revenue is recognised when control of the products has transferred, being when the products are delivered to the customer. Price is determined by specific reference to underlying contract price, or list price where no contract is in place. No financing element is attached to sales as they are typically made with payment required upfront or otherwise with credit terms not exceeding 30 days.

There are no refund or warranty provisions in place because historically there has been no such occurrences warranting them. There are also no contract assets or liabilities recorded in relation to revenue from contracts with customers.

### (iii) Other income

#### *Interest*

Interest income is recognised as it accrues, taking into account the effective yield on the financial asset.

#### *Research and Development Tax Incentive*

The federal government's Research and Development Tax Incentive program (R&DTI) offers a tax offset for companies conducting eligible R&D activities. Companies in a tax loss position are able to obtain a refund of the tax offset. When management is able to calculate a reasonable estimate of the R&DTI refund likely to be received and when there is reasonable assurance that the entity will comply to the conditions attaching to the grant and the amount will be received, that amount is recognised on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grant are intended to compensate.

#### *Government grants*

Government grants are recognised where they can be reliably measured, it is certain that the grant will be received, and all attached conditions will be satisfied. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs for which it is intended to compensate, are expensed. When the grant relates to an asset, it is offset against the capitalised amount and recognised as income in equal amounts over the expected useful life of the related asset (when the asset is depreciated).

Other income is recognised as received or over the period to which it relates.

# Notes to the Financial Statements continued

for the year ended 30 June 2024

## 2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

### (iv) Income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the balance date in the countries where the Group operates and generates taxable income.

Deferred income tax is provided using the full liability method on temporary differences at the balance date between the tax bases of the assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences except:

- where the deferred income tax arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates, and interests in joint ventures except where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax credits and unused tax losses can be utilised except:

- where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary difference associated with investments in subsidiaries, deferred tax asset are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised.

The carrying amount of deferred income tax assets is reviewed at each balance date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Unrecognised deferred income tax assets are reassessed at each balance date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in the statement of comprehensive income.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

### (v) Foreign currency translation

Both the functional and presentation currency of INOVIQ Limited is Australian dollars (A\$).

Transactions in foreign currencies are initially recorded in the functional currency at the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are re-translated at the rate of exchange ruling at the balance date. All exchange differences in the consolidated financial report are taken to the profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the original transaction.

Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

The results of the Group's non- $\text{\$A}$  reporting subsidiaries are translated into A\$ (presentation currency). Income and expenses are translated at the average exchange rates for the financial year. Assets and liabilities are translated at the closing exchange rate for each balance sheet date. Share capital, reserves and accumulated losses are converted at applicable historical rates.

Exchange variations resulting from the translation are recognised in the foreign currency translation reserve in equity. If a subsidiary were sold, the proportionate share of the foreign currency translation reserve would be transferred out of equity and recognised in the statement of comprehensive income.



## 2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

### (vi) Goods and services tax

Revenue, expenses, and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the taxation authority. In these circumstances the GST is recognised as part of the cost of acquiring the asset or as part of an item of expense.

Receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as a current asset or liability in the Statement of Financial Position.

Cash flow is included in the statement of cash flow on a gross basis. The GST components of cash flow arising from investing and financing activities, which are recoverable from, or payable to, the taxation authority, are classified as operating cash flow.

### (vii) Cash and cash equivalents

Cash and cash equivalents in the Statement of Financial Position comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purposes of the Cash Flow Statement, cash and cash equivalents consist of cash and cash equivalents as defined above.

### (viii) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost includes all expenses directly attributable to the manufacturing process. Net realisable value is the estimated selling price in the ordinary course of business less any applicable selling expenses.

### (ix) Trade and other receivables

Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured initially at the transaction price determined under AASB 15. Trade and other receivables that are held to collect contractual cash flows and are expected to give rise to cash flows representing solely payments of principal and interest are classified and subsequently measured at amortised cost. Receivables that do not meet the criteria for amortised cost are measured at fair value through profit or loss. Following initial recognition, the amortised cost is calculated using the effective interest method.

The Group assesses on a forward-looking basis the expected credit loss associated with its trade receivables carried at amortised cost. The expected credit loss is calculated using the simplified approach which requires the loss allowance to be based on the lifetime expected credit loss. In determining the expected credit loss, the Group assesses the profile of the debtors and compares with historical recoverability trends, adjusted for factors that are specific to the debtors' general economic conditions and an assessment of both the current and forecast conditions as a reporting date.

The Group considers an event of default has occurred when a financial asset is more than 90 days past due or external sources indicate that the debtor is unlikely to pay its creditors, including the Group. A financial asset is credit impaired when there is evidence that the counterparty is in significant financial difficulty or a breach of contract, such as a default or past due event has occurred. The Group writes off a financial asset when there is information indicating the counterparty is in severe financial difficulty and there is no realistic prospect of recovery.

#### *Impairment of financial assets*

In relation to the financial assets carried at amortised cost, AASB 9 requires an expected credit loss ("ECL") model to be applied. The ECL model requires the Group to account for ECL and changes in those ECL at each reporting date to reflect changes in credit risk since initial recognition of the financial asset. In particular, AASB 9 requires the Group to measure the loss allowance at an amount equal to lifetime ECL if the credit risk on the instrument has increased significantly since initial recognition. On the other hand, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group is required to measure the loss allowance for that financial instrument at an amount equal to the ECL within the next 12 months.

As at 30 June 2024, the directors of the Company reviewed and assessed the Group's existing financial assets for impairment using reasonable and supportable information.

### (x) Building Improvements, Plant and Equipment

Each class of building improvement, plant and equipment is carried at cost, less, where applicable, any accumulated depreciation and impairment.

# Notes to the Financial Statements continued

for the year ended 30 June 2024

## 2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

### *Building Improvements, Plant & Equipment*

The carrying amount of building improvements, plant and equipment is reviewed annually by the Directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets' employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

### *Depreciation*

The depreciable amount of all fixed assets is depreciated on a straight-line basis over their useful lives to the Group commencing from the time the asset is held ready for use. Building improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements. Items of property, plant, and equipment are depreciated over their estimated useful lives.

The depreciation rates for each class of asset are:

<b>Class of Non-Current Asset</b>	<b>Depreciation Rate</b>
Building improvements	16.87% - 19.59% straight line
Office furniture and equipment	5.00% - 50.00% straight line
Research equipment	5.00% - 50.00% straight line

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the income statement.

## **(xi) Intangibles**

### *Patents*

Patents are recognised at cost of acquisition or the cost of application and grant. Patents have a finite life and are recognised on the balance sheet at cost less any accumulated amortisation and any impairment losses.

Patents are amortised on a straight-line basis over the term of the patent commencing from the time the patent is registered.

### *Trademarks*

Trademarks are recognised at the cost of application and grant. Trademarks generally have an infinite life and are recognised on the balance sheet net of any impairment.

### *Purchased Intellectual Property*

Purchased intellectual property is recognised at the cost of acquisition or value attributed on business combination. Purchased intellectual property has a finite life and is recognised on the balance sheet at cost less any accumulated amortisation and any impairment losses.

### *Impairment of Purchased Intellectual Property*

An intangible asset is tested for impairment annually where it has an indefinite useful life or is not yet available for use, or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. For impairment assessment purposes, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units). An impairment loss is recognised for the amount by which the asset's (or cash-generating unit's) carrying amount exceeds its recoverable amount, which is the higher of fair value less costs of disposal and value-in-use. For intangible assets where management can reliably estimate the future cash flows, they determine recoverable amount using a value in use model by estimating the expected future cash flows from each cash-generating unit and determines a suitable discount rate in order to calculate the present value of those cash flows. Discount factors are determined individually for each cash-generating unit and reflect current market assessments of the time value of money and asset-specific risk factors. For intangible assets which are not yet available for use or where management cannot reliably estimate the future cash flows, they determine the recoverable model using a replacement cost approach. The replacement cost approach reflects the amount that would be required currently to replace the service capacity of an asset less any wastage, obsolescence and costs of disposal.

Assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist. An impairment loss is reversed if the asset's recoverable amount exceeds its carrying amount.

## 2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

### (xii) Goodwill

Goodwill represents the future economic benefits arising from a business combination that are not individually identified and separately recognised. Goodwill is carried at cost less accumulated impairment losses.

#### *Impairment of Goodwill*

Goodwill is allocated to those Cash-Generating Units (CGU's) that are expected to benefit from synergies of a related business combination and represent the lowest level within the Group at which management monitors goodwill.

### (xiii) Investments and other financial assets

Investments and financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets under AASB 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics, which arise on specified dates and are solely payments of principal and interest ("SPPI"). For financial assets measured at amortised cost, these assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses.

Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

As of 30 June 2024, the Company's financial instruments consist of cash and cash equivalents, trade and other receivables and trade and other payables classified as financial assets and liabilities at amortised costs.

### (xiv) Trade and other payables

Liabilities for trade creditors and other amounts are carried at amortised cost and represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services.

### (xv) Employee entitlements

#### *Short-term and long-term employee benefits*

A liability is recognised for benefits accruing to employees in respect of wages and salaries and annual leave in the period the related service is rendered.

Liabilities recognised in respect of short-term employee benefits are measured at their nominal values using the remuneration rate expected to apply at the time of settlement. Liabilities recognised in respect of long term employee benefits are measured as the present value of the estimated future cash outflows to be made by the Group in respect of services provided by employees up to reporting date.

Contributions are made by the Group to employee superannuation funds and are charged as expenses when incurred.

#### *Share-based compensation*

The Group operates a share-based compensation plan. This consists of an incentive option plan. The total amount to be expensed over the vesting period is determined by reference to the fair value of the shares of the options granted.

### (xvi) Provisions

A provision is recognised when a legal or constructive obligation exists as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Where the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the profit or loss net of any reimbursement.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax discount rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

# Notes to the Financial Statements continued

for the year ended 30 June 2024

## 2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

### (xvii) Leases

#### *Right-of-use assets*

The Group recognises right-of-use assets at the commencement date of the lease (the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. The recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

#### *Lease liabilities*

At the commencement date of a lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives received or receivable and variable lease payments that depend on an index or a rate. The lease payments also include the renewal option reasonably certain to be exercised by the Group. The variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs. In calculating the present value of lease payments, the Group uses an appropriately considered incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. The carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

### (xviii) Current versus non-current classification

The Group presents assets and liabilities in the Statement of Financial Position based on current/non-current classification. An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Group classifies all other liabilities as non-current.

### (xix) Issued Capital

Issued and paid-up capital is recognised at the fair value of the consideration received by the Company.

Any transaction costs arising on the issue of ordinary shares are recognised directly in equity, net of tax, as reduction of the proceeds received.

### (xx) Earnings Per Share

Basic earnings per share (EPS) is calculated by dividing the net profit attributable to members of the Company for the reporting period, after excluding any costs of servicing equity (other than dividends on ordinary shares), by the weighted average number of ordinary shares of the Company, adjusted for any bonus issue.

Diluted EPS is calculated by dividing the basic EPS earnings, adjusted by the after-tax effect of financing costs associated with dilutive potential ordinary shares and other non-discretionary changes in revenues and expenses that would result from the dilution of potential ordinary shares, by the weighted average number of ordinary shares and dilutive potential ordinary shares of the Company adjusted for any bonus issue.

## 2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

### (xxi) Critical Accounting Estimates and Judgments

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue, and expenses. Management bases its judgements and estimates on historical experience and on other various factors it believes to be reasonable under the circumstances, the result of which form the basis of the carrying values of assets and liabilities that are not readily apparent from other sources.

Management has identified the following key estimates and assumptions that have the most significant impact on the critical accounting policies and therefore the financial statements. Actual results may differ from these estimates under different assumptions and conditions and may materially affect financial results or the financial position reported in future periods.

#### *Significant accounting estimates and assumptions*

The carrying value of certain assets and liabilities are often determined based on estimates and assumptions of future events. The key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period are outlined below.

#### *Share-based payments*

INOVIQ operates an Incentive Option Plan. The non-cash expense of issuing options under the plan is calculated using either a Binomial or Monte Carlo option pricing model. These models require the input of a number of variables including an estimate of future volatility and a risk-free interest rate.

#### *Impairment*

For intangible assets with indefinite useful lives or intangible assets not yet available for use, impairment is assessed is tested annually. All other intangible assets are tested for impairment when an impairment indicator exists. Where impairment is tested annually or an impairment indicator exists, the recoverable amount of the asset is determined.

#### *Deferred tax assets*

Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses. Deferred tax assets, including those arising from unutilised tax losses, require management to assess the likelihood that the Group will comply with relevant tax legislation and will generate sufficient taxable profit in future years in order to recognise and utilise those deferred tax assets. Estimates of future taxable profit are based on forecast cash flows from operations and existing tax laws in each jurisdiction. These assessments require the use of estimates and assumptions such as the operating performance over the life of the assets.

### (xxii) Research and Development

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the Group can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale
- Its intention to complete and its ability and intention to use or sell the asset
- How the asset will generate future economic benefits
- The availability of resources to complete the asset
- The ability to measure reliably the expenditure during development

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefit. During the period of development, the asset is tested for impairment annually.

### (xxiii) Share-based payments

Share-based payments are benefits provided to employees (including directors and executives) and to non-employees in the form of share-based payment transactions. Employees render services in exchange for shares or rights over shares ("equity settled transactions").

The cost of these equity settled transactions with employees are measured by reference to the fair value at the date at which they are granted. The cost of equity settled transactions with non-employees are measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured and are recorded at the date the goods or services are received. The fair value of both employee and non-employee equity settled transactions is determined using either a Binomial or Monte Carlo option pricing model.

The cost of employee equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award ('vesting date').

# Notes to the Financial Statements continued

for the year ended 30 June 2024

## 2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

### (xxiv) Business Combinations

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value, and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in administrative expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances, and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of AASB 9 Financial Instruments, is measured at fair value with the changes in fair value recognised in the statement of profit or loss in accordance with AASB 9.

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests and any previous interest held over the net identifiable assets acquired and liabilities assumed). If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination.

Where goodwill has been allocated to a cash-generating unit (CGU) and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

## 3 PRODUCT INCOME

	For the year ended 30 June 2024 \$	For the year ended 30 June 2023 \$
Product revenue – hTERT – at a point in time	333,255	363,209
Product revenue – Molecular NETs – at a point in time	201,863	34,984
	535,118	398,193

## 4 OTHER INCOME

	For the year ended 30 June 2024 \$	For the year ended 30 June 2023 \$
Research and Development Tax Incentive refund	1,026,444	1,094,879
Grant income*	–	58,130
Interest and miscellaneous income	256,581	353,721
	1,283,025	1,506,730

\* Grant income in the prior period comprises income from the Export Market Development Grant (EMDG).

## 5 OPERATING EXPENDITURES

	For the year ended 30 June 2024 \$	For the year ended 30 June 2023 \$
<b>General and Administration</b>		
Employee Expenditure		
- Staff wages and superannuation	<b>1,404,370</b>	1,320,309
- Directors' fees	<b>259,058</b>	221,000
- Contractor fees	-	1,920
- Other employment expenses	<b>1,009,055</b>	371,284
	<b>2,672,483</b>	1,914,513
Administrative Costs		
- Professional and legal fees	<b>612,005</b>	2,147,043
- Legal settlement payment	-	1,000,000
- Loss on deconsolidation of BARDIAG	-	124,764
- Transfer to the income statement of FCTR component related to BARDIAG	-	213,035
- ASX listing and transaction fees plus share registry fees	<b>134,137</b>	132,421
- Lease liability interest	<b>40,766</b>	59,524
- Other administration expenses	<b>495,207</b>	88,092
	<b>1,282,115</b>	3,764,879
Depreciation and amortisation		
- Amortisation of acquired intangible asset - hTERT	<b>54,933</b>	54,790
- Amortisation of acquired intangible asset - Molecular Nets	<b>892,581</b>	890,144
- Amortisation of granted patents	<b>28,385</b>	20,030
- Depreciation of building improvements	<b>24,168</b>	24,102
- Depreciation of right-of-use assets - AASB 16 Leases	<b>137,877</b>	137,499
- Depreciation of plant and equipment	<b>66,046</b>	26,944
	<b>1,203,990</b>	1,153,509
<b>Per consolidated Statement of Comprehensive Income</b>	<b>5,158,586</b>	6,832,901

# Notes to the Financial Statements continued

for the year ended 30 June 2024

## 5 OPERATING EXPENDITURES (CONTINUED)

	For the year ended 30 June 2024 \$	For the year ended 30 June 2023 \$
<b>Research and Development</b>		
Employee Expenditure		
- Staff wages and superannuation	1,147,854	1,283,370
- Other employment expenses	60,389	50,904
	<b>1,208,243</b>	1,334,274
R&D Expenditure		
- External R&D	385,874	687,282
- Laboratory operations	865,538	962,689
	<b>1,251,410</b>	1,649,971
Depreciation and Amortisation		
- Depreciation of building improvements	9,381	9,052
- Depreciation of right-of-use assets – AASB 16 Leases	137,877	137,499
- Depreciation of plant and equipment	92,680	93,673
	<b>239,937</b>	240,224
Per consolidated Statement of Comprehensive Income	<b>2,699,591</b>	3,224,469
<b>Sales and Marketing</b>		
Employee Expenditure		
- Staff wages and superannuation	261,226	406,761
- Other employment expenses	10,955	6,583
	<b>272,181</b>	413,344
Other business development related expenditure	161,123	358,968
Per consolidated Statement of Comprehensive Income	<b>433,303</b>	772,312

## 6 INCOME TAX

(a) A reconciliation of income tax expense applicable to accounting loss, before income tax at the statutory income tax rate, to income tax expense at the Group's effective income tax rate for the periods ended 30 June 2024 and 30 June 2023 is as follows:

	For the year ended 30 June 2024 \$	For the year ended 30 June 2023 \$
Accounting loss before tax	(6,554,350)	(8,969,241)
At statutory income tax rate of 25% (2023: 25%)	(1,638,588)	(2,242,310)
Deferred tax asset brought to account	-	-
Amortisation of intangible assets	243,975	241,241
Impairment of goodwill and intangible asset	-	-
Deferred tax asset not brought to account	1,394,613	2,001,069
<b>Income tax credit reported in the Statement of Comprehensive Income</b>	<b>-</b>	<b>-</b>



## 6 INCOME TAX (CONTINUED)

Total estimated tax losses not brought to account at 30 June 2024 for the consolidated tax group, comprising INOVIQ Limited and its wholly owned subsidiary Sienna Cancer Diagnostics Ltd (Sienna), totals \$7,586,090 (2023: \$7,072,729). This total includes losses incurred by Sienna since 1 July 2015 being the period from which point onwards an external tax specialist determined tax losses would be accessible to the Group after application of the Income Tax Assessment Act 1997 loss transfer provisions, encompassing the requirement to satisfy either the Continuity of Ownership Test (COT) or Similar Business Test (SBT). Tax losses incurred by foreign subsidiary INOVIQ Inc. (formerly Sienna Cancer Diagnostics Inc.) are not included in estimated tax losses not brought to account. It is not probable that the Group will be in a position to utilise these tax losses in future.

Some deferred tax assets have not been brought to account at 30 June 2024 because the directors do not believe it is appropriate to regard realisation of the future tax benefit as probable. These benefits will only be obtained if:

- (i) the Group derives future assessable income of a nature and of an amount sufficient to enable the benefit from the deduction for the loss to be realised;
- (ii) the Group complies with the conditions for the deductibility imposed by law including the continuity of ownership and/or business tests; and
- (iii) no changes in tax legislation adversely affect the Group in realising the benefit from the deduction for the loss.

## 7 CASH AND CASH EQUIVALENTS & CASH FLOW INFORMATION

	As at 30 June 2024 \$	As at 30 June 2023 \$
Cash at bank	912,442	591,761
Term deposits*	8,320,750	7,220,750
Cash and cash equivalents comprise cash at bank	9,233,192	7,812,511

\* All have a term of three months or less from the date of commencement of the deposit.

Net loss after income tax	(6,554,350)	(8,969,241)
Loss on deconsolidation	-	124,764
Foreign currency translation reserve transfer	-	213,035
Intercompany loan forgiveness	-	(948)
Loss on disposal of property plant and equipment	-	13,864
Share based payments expense	834,774	285,112
Depreciation and amortisation	1,443,926	1,393,732
Unrealised foreign exchange (gain)/loss	1,177	(240,966)
<i>Changes in Assets &amp; Liabilities:</i>		
(Increase)/decrease in receivables	17,393	455,940
(Increase)/decrease in inventories	(17)	(4,387)
Increase/(decrease) in payables	(139,438)	(209,334)
Increase/(decrease) in provisions	20,199	(66,770)
(Increase)/decrease in prepayments	53,412	(19,375)
<b>Net cash used in operating activities</b>	<b>(4,322,924)</b>	<b>(7,024,574)</b>

# Notes to the Financial Statements continued

for the year ended 30 June 2024

## 8 TRADE AND OTHER RECEIVABLES

	For the year ended 30 June 2024 \$	For the year ended 30 June 2023 \$
Trade receivables	26,564	279,723
Allowance for expected credit losses	-	(207,180)
	<b>26,564</b>	72,543
R&D Tax Incentive refund	1,017,344	949,502
Other receivables	230,189	170,962
	<b>1,274,097</b>	1,193,007

### CREDIT RISK

During the current financial year the historical provision for doubtful debts first recognised in the year ended 30 June 2017 in relation to a debtor, Bostwick Laboratories Inc., that had entered Chapter 11 bankruptcy protection was written off, as no amount was recovered. All remaining receivables are current and not considered at risk of non-collection.

## 9 BUILDING IMPROVEMENTS, PLANT AND EQUIPMENT

	As at 30 June 2024 \$	As at 30 June 2023 \$
Building improvements – at cost	191,247	191,247
Accumulated depreciation	(124,530)	(90,981)
	<b>66,717</b>	100,266
Office furniture and equipment – at cost	131,116	116,160
Accumulated depreciation	(73,453)	(45,475)
	<b>57,663</b>	70,685
Research equipment – at cost	1,013,392	869,064
Accumulated depreciation	(307,874)	(178,170)
	<b>705,518</b>	690,894
	<b>829,898</b>	861,845

### MOVEMENT IN CARRYING AMOUNTS

	Building Improvements \$	Office Equipment \$	Research Equipment \$	Total \$
Balance at the beginning of the year	100,266	70,685	690,894	861,845
Additions	-	14,964	144,750	159,714
Depreciation	(33,548)	(27,986)	(130,741)	(192,275)
Effect of FX translation	-	-	614	614
Balance at the end of the year	66,717	57,663	705,518	829,898

## 10 INTANGIBLE ASSETS AND GOODWILL

	As at 30 June 2024 \$	As at 30 June 2023 \$
<b>Intellectual property</b>		
Patents – at cost	289,034	275,536
Accumulated amortisation	(55,376)	(40,013)
	<b>233,658</b>	235,523
Trademarks at cost	40,287	40,287
<b>Purchased intellectual property</b>		
hTERT	2,896,772	2,896,772
Accumulated amortisation	(858,993)	(804,061)
Accumulated impairment	(1,790,842)	(1,790,842)
	<b>246,937</b>	301,869
Molecular NETS	15,686,495	15,686,495
Accumulated amortisation	(3,223,261)	(2,330,680)
Accumulated impairment	(4,431,828)	(4,431,828)
	<b>8,031,407</b>	8,923,987
SubB2M	1,150,000	1,150,000
<i>Per Statement of Financial Position</i>	<b>9,702,289</b>	10,651,666
<b>Goodwill on acquisition</b>		
Goodwill on acquisition of Sienna	13,919,779	13,919,779
Accumulated impairment	(13,919,779)	(13,919,779)
<i>Per Statement of Financial Position</i>	–	–
	<b>9,702,289</b>	10,651,666

### Class of Intangible Asset

### Amortisation Rate

Patents

6.4% – 9.5% straight line

hTERT

15.36% straight line

Molecular NETS

9.07% straight line

SubB2M asset useful life and resulting amortisation is still to be determined.

# Notes to the Financial Statements continued

for the year ended 30 June 2024

## 10 INTANGIBLE ASSETS AND GOODWILL (CONTINUED)

2024 Movement	Goodwill \$	Patents \$	Trademarks \$	hTERT \$	Molecular NETS \$	SubB2M \$	Total \$
Balance at the beginning of the year	-	235,523	40,287	301,869	8,923,987	1,150,000	10,651,666
Additions	-	13,500	-	-	-	-	13,500
Amortisation	-	(28,385)	-	(54,932)	(892,580)	-	(975,897)
Impairment	-	-	-	-	-	-	-
Effect of FX translation	-	13,020	-	-	-	-	13,020
<b>Balance at the end of the year</b>	<b>-</b>	<b>233,658</b>	<b>40,287</b>	<b>246,937</b>	<b>8,031,407</b>	<b>1,150,000</b>	<b>9,702,289</b>

2023 Movement	Goodwill \$	Patents \$	Trademarks \$	hTERT \$	Molecular NETS \$	SubB2M \$	Total \$
Balance at the beginning of the year	-	307,728	37,039	356,658	9,814,131	1,150,000	11,665,556
Additions	-	57,137	3,248	-	-	-	60,385
Amortisation	-	(20,030)	-	(54,789)	(890,144)	-	(964,963)
Impairment	-	(123,925)	-	-	-	-	(123,925)
Effect of FX translation	-	14,613	-	-	-	-	14,613
<b>Balance at the end of the year</b>	<b>-</b>	<b>235,523</b>	<b>40,287</b>	<b>301,869</b>	<b>8,923,987</b>	<b>1,150,000</b>	<b>10,651,666</b>

### \* Impairment Testing and Key Assumptions

The Group's intangible asset and goodwill impairment testing policies are described in Note 2 (xi) and (xii).

Discounted cash flow models (hTERT) or replacement cost assessments are produced when testing assets for impairment. The DCF model is based upon management estimates of future revenues, corporate tax rates, growth rates as well as discount rates. Forecasted gross margins from product sales anticipates growth from market penetration and the evolution of products.

**hTERT** - the recoverable amount of the hTERT asset was determined using a Value In Use methodology that involved the estimating of future cash flows over a 5-year period. A Value In Use methodology was appropriate as the revenues and costs could be reliably estimated. Management allowed for sales estimates over a 5-year period, declining by 10% each year from FY25-FY28. No impairment of the hTERT asset was recognised in the current financial year. For the financial year ended 30 June 2022, INOVIQ recognised a non-cash impairment loss of \$1,790,842 for the hTERT asset, the result of a reduction in forecast revenue.

A summary of the parameters used to value hTERT and impairment test these assets is provided in the following table:

Intangible Asset	Valuation Method	Years of Cash Flow Projection*	Discount Rate %
hTERT	Value In Use	5	20%

^ Forecast revenue includes a gradual decline in revenues from years 2-5. Product revenue is supported by patents in key markets during this period.

**Molecular NETs** - management determined the recoverable amount of Molecular NETs technology in the current year using the replacement cost method due to the inability to reliably estimate future cash flows as the technology is still undergoing development. The cost approach reflects the amount that would be required currently to replace the service capacity of an asset less any wastage, obsolescence and costs of disposal. Management consequently determined that no impairment exists. The assumptions used in the calculation of replacement cost resulted in an excess of fair value less cost of disposal over the carrying amount of 53%.

**SubB2M** - which is in the research phase and therefore pre-revenue, was assessed for impairment using the replacement cost method. The cost approach reflects the amount that would be required currently to replace the service capacity of an asset less any wastage, obsolescence and costs of disposal. Management determined that no impairment was present at balance date. The assumptions used in the calculation of replacement cost resulted in an excess of fair value less cost of disposal over the carrying amount of 284%.

## 11 RIGHT OF USE ASSETS

	As at 30 June 2024 \$	As at 30 June 2023 \$
Right-of-use Asset – at cost	1,510,256	1,510,256
Accumulated depreciation	(1,194,196)	(918,443)
	<b>316,060</b>	591,813

At the date of this report INOVIQ had two leased properties. These leases were entered into by subsidiary Sienna Cancer Diagnostics Limited (Sienna) and its U.S subsidiary. Sienna was acquired by INOVIQ on 28 July 2020. The two leases are for separate properties one for a property at 23 Normanby Road, Notting Hill (the current operations base for the Group), and another for a property at 11 Howleys Road, Notting Hill. The lease at Howleys Rd commenced 1 December 2019. Before occupying the property at Howleys Rd, the Company was informed that a superior property in the same vicinity was to become available in June 2020. This property had established laboratory and small-scale manufacturing capabilities whereas these facilities were required to be custom built at the property at Howleys Rd, at an estimated cost of \$400,000 to \$500,000. A lease was negotiated for the Normanby Rd property and operations commenced at this property during June 2020. A sub tenancy agreement for the Howleys Rd property was subsequently entered into, matching the remaining term of the head lease for the property.

The following table provides a summary of the leases that represent the balance of the Right-of-use assets and Lease liability (see Note 13) on the Statement of Financial Position:

Property	Commencement Date	Lease Term End	Annual Increases	Further Terms
11 Howleys Rd, Notting Hill, Victoria	1 December 2019	30 November 2024	3%	2 x 5 years*
23 Normanby Rd, Notting Hill, Victoria	7 June 2020	6 June 2025	3%	1 x 1 year#

\* Further terms not included in the calculation of the right-of-use assets and lease liability

# Further term included in the calculation of the right-of-use assets and lease liability

## 12 TRADE AND OTHER PAYABLES

	As at 30 June 2024 \$	As at 30 June 2023 \$
Trade and other payables	626,394	466,993
Accruals	294,133	320,803
	<b>920,527</b>	787,796

Trade and other payables are generally unsecured, interest free and with terms ranging from 7 to 30 days.

# Notes to the Financial Statements continued

for the year ended 30 June 2024

## 13 LEASE LIABILITY

	As at 30 June 2024 \$	As at 30 June 2023 \$
<b>Current</b>		
Lease liability	241,482	362,347
<b>Non-current</b>		
Lease liability	162,253	368,365
<b>Maturity analysis</b>		
Less than 12 months	241,482	362,347
Greater than 12 months and less than 5 years	162,253	368,365
Greater than 5 years	-	-
	<b>403,735</b>	730,712

## 14 PROVISIONS

	As at 30 June 2024 \$	As at 30 June 2023 \$
<b>Current</b>		
Annual Leave	309,841	299,496
Long Service Leave	62,965	68,265
	<b>372,806</b>	367,761
<b>Non-current</b>		
Long Service Leave	22,307	7,152

## 15 ISSUED CAPITAL

	As at 30 June 2024 \$		As at 30 June 2023 \$	
<b>(A) ISSUED AND PAID-UP CAPITAL</b>				
Ordinary shares (net of issue costs)	75,125,621		69,053,379	
	Number of shares	\$	Number of shares	\$
<b>At the beginning of the period</b>	92,018,702	69,053,379	92,018,702	69,053,379
Issue of shares–Share Placement	13,500,000	6,750,000	-	-
Less: Transaction costs	-	(677,758)	-	-
Shares issued to Performance Shareholders	-	-	-	-
Issue of shares on conversion of options	-	-	-	-
<b>At the end of the period</b>	<b>105,518,702</b>	<b>75,125,621</b>	92,018,702	69,053,379

## 15 ISSUED CAPITAL (CONTINUED)

### (B) TERMS AND CONDITIONS OF CONTRIBUTED EQUITY

#### Ordinary shares

Ordinary shares have the right to receive dividends as declared, and, in the event of the winding up of the Company, to participate in the proceeds from the sale of surplus assets in proportion to the number of and amounts paid up on shares held. Ordinary shares entitle their holder to one vote, either in person or by proxy, at a meeting of the Company.

### (C) CAPITAL MANAGEMENT

The Group's objective when managing capital is to safeguard the Group's ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholder value. In order to maintain an optimal capital structure, the Group may issue new shares or reduce its capital, subject to the provision of the Company's Constitution and any relevant regulatory requirements. The capital structure of the Group consists of equity attributed to equity holders as disclosed in the Statement of Financial Position. The Board monitors the need to raise additional equity based on its ongoing review of the Group's actual and forecast cash flows prepared by management.

## 16 RESERVES

	As at 30 June 2024 \$	As at 30 June 2023 \$
Share based payment reserve	<b>1,803,134</b>	1,679,616
Foreign currency translation reserve	<b>(26,810)</b>	(45,076)
	<b>1,776,324</b>	1,634,540
<i>Foreign currency translation reserve</i>		
Balance at beginning of year	<b>(45,076)</b>	(51,766)
Reclassification adjustment to income statement on disposal of subsidiary	-	213,035
Foreign currency translation	<b>18,266</b>	(206,345)
Balance at the end of the year	<b>(26,810)</b>	(45,076)
<i>Share based payment reserve*</i>		
Balance at beginning of year	<b>1,679,616</b>	1,458,171
- Reversal of option expense for forfeited options that had not vested	-	(53,573)
- Value of vested options that lapsed without being exercised transferred to accumulated losses	<b>(711,255)</b>	(63,666)
- Fair value of options granted	<b>834,773</b>	338,684
Balance at end of year	<b>1,803,134</b>	1,679,616

\* The share-based payment reserve is used to record the fair value of equity instruments issued to employees, directors, and contractors.

# Notes to the Financial Statements continued

for the year ended 30 June 2024

## 17 ACCUMULATED LOSSES

	As at 30 June 2024 \$	As at 30 June 2023 \$
Balance at the beginning of the year	(51,072,522)	(41,857,526)
Value of vested options that lapsed without being exercised	711,255	63,666
Value of exercised options	-	-
Transfer of distribution reserve to accumulated losses on disposal of subsidiary	-	(309,421)
Net loss after income tax	(6,554,350)	(8,969,241)
	<b>(56,915,617)</b>	(51,072,522)

## 18 LOSS PER SHARE

Basic loss per share is calculated by dividing net loss after tax for the period attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the period adjusted by any bonus issue.

Diluted loss per share is calculated by dividing the net loss after tax attributable to ordinary equity holders of the parent adjusted for the weighted average number of ordinary shares and dilutive potential ordinary shares of the Company adjusted by any bonus issue.

The following reflects the income and share data used in the basic and diluted earnings per share computations:

	For the year ended 30 June 2024 \$	For the year ended 30 June 2023 \$
Net Loss used in calculating basic and diluted loss per share	(6,554,350)	(8,969,241)
Weighted average number of ordinary shares for basic loss per share	92,424,440	92,018,702
Effect of dilution:		
Share options and performance shares*	-	-
Weighted average number of ordinary shares adjusted for the effect of dilution	92,424,440	92,018,702
Basic and diluted loss per share (cents per share) for the year attributable to members of INOVIQ Limited	(7.09)	(9.75)

\* At 30 June 2024 the Company had on issue 8,955,756 options under INOVIQ's Incentive Option Plan (2023: 3,944,682). Given the Group made a loss during the current financial year, and comparative financial year, the issue of shares from the exercise of options is considered non-dilutive and therefore not included in the diluted loss per share calculation.

## 19 SEGMENT INFORMATION

In accordance with Australian Accounting Standard AASB 8 Operating Segments, the Company has determined that it has one reporting segment, consistent with the manner in which the business is managed. The chief operating decision maker receives financial information on a consolidated basis. This is the manner in which the chief operating decision maker receives information for the purpose of resource allocation and assessment of performance. The Group operates predominantly in one business segment, the research and development of cancer diagnostics, and two geographical segments, Victoria, Australia, and Minneapolis, United States. In the prior reporting period, the Company had a third geographical segment, Geneva, Switzerland, where operations ceased in February 2021.

Product revenues reported for the financial year were sourced from foreign countries, specifically the United States. More than 10% of product revenue is sourced from one customer in the United States, a total of \$163,738 (2023: \$56,483) was received from this customer during reporting period. This customer was the previous distributor of the Group's hTERT product. Since the 1 January 2023, the group now sells hTERT direct to its customers. Other income recorded in the reporting period was sourced in Australia.



## 19 SEGMENT INFORMATION (CONTINUED)

The Group's non-current assets are located in the following geographic regions:

	As at 30 June 2024 \$	As at 30 June 2023 \$
Australia (domicile)	10,320,079	11,548,097
United States of America	528,168	557,227
	<b>10,848,247</b>	12,105,324

## 20 DIRECTORS & KEY MANAGEMENT PERSONNEL

	For the year ended 30 June 2024 \$	For the year ended 30 June 2023 \$
<b>(A) COMPENSATION BY CATEGORY: KEY MANAGEMENT PERSONNEL</b>		
Short-term employee benefits	1,262,120	1,275,498
Post-employment benefits	107,869	98,752
Share based payments	824,805	325,945
Other long-term benefits	18,174	17,039
	<b>2,212,968</b>	1,717,234

Key management personnel (KMP) are those directly accountable and responsible for the operational management and strategic direction of the Company and the Group. The KMP during the year were:

- Mr David Williams (appointed 29 November 2023)
- Dr Geoffrey Cumming (appointed 28 July 2020)
- Mr Philip Powell (appointed 17 June 2019)
- Mr Max Johnston (appointed 17 June 2019)
- Dr Leeearne Hinch (appointed 7 November 2016)
- Dr Gregory Rice (appointed 20 September 2021)
- Mr Mark Edwards (appointed 2 November 2022)

### (B) OPTIONS GRANTED TO KEY MANAGEMENT PERSONNEL

During the 2024 financial year:

- 6,450,000 options were issued to Chairman, Mr David Williams, under the Company's Incentive Option Plan;
- 250,000 options were issued to CEO, Dr Leeearne Hinch, under the Company's Incentive Option Plan;
- 50,000 options were issued to CSO, Dr Greg Rice, under the Company's Incentive Option Plan.

All options on issue are subject to the terms and conditions of the Company's Incentive Option Plan.

Details of options on issue are set out in Note 21.

### (C) LOANS TO/AMOUNTS OWED TO KEY MANAGEMENT PERSONNEL

There were no loans to KMP or amounts owed to KMP's at 30 June 2024 (2023: nil).

### (D) CONSULTING FEES PAID/OWED TO KEY MANAGEMENT PERSONNEL

There were no consulting fees paid to KMP's during the financial year (2023: nil).

# Notes to the Financial Statements continued

for the year ended 30 June 2024

## 21 SHARE-BASED PAYMENTS

The following share-based payment arrangements existed at 30 June 2024:

Number of Options	Exercise Price (\$)	Granted Date	Status	Vested Date	Expiry Date	Conditions	Note
26,000	\$0.81	28-Jul-20	Vested	28-Jul-20	2-Jul-24	Yes	1 & 2
57,200	\$0.81	28-Jul-20	Vested	2-Jul-21	2-Jul-24	Yes	1 & 2
47,667	\$0.81	28-Jul-20	Vested	2-Jul-22	2-Jul-24	Yes	1, 2 & 3
13,000	\$0.51	28-Jul-20	Vested	6-Feb-21	6-Feb-25	Yes	1 & 2
20,222	\$0.51	28-Jul-20	Vested	6-Feb-22	6-Feb-25	Yes	1 & 2
166,667	\$1.13	14-Apr-21	Vested	14-Apr-21	30-Apr-25	Yes	1 & 4
1,000,000	\$3.00	29-Nov-21	Granted	Conditions	30-Sep-24	Yes	1 & 5
50,000	\$1.73	04-Jan-22	Vested	20-Sep-22	20-Sep-25	Yes	1 & 3
50,000	\$1.73	04-Jan-22	Vested	20-Sep-23	20-Sep-25	Yes	1 & 3
50,000	\$1.73	04-Jan-22	Granted	20-Sep-24	20-Sep-25	Yes	1 & 3
50,000	\$0.82	2-Nov-22	Vested	2-Nov-23	2-Nov-26	Yes	1 & 3
50,000	\$0.82	2-Nov-22	Granted	2-Nov-24	2-Nov-26	Yes	1 & 3
50,000	\$0.82	2-Nov-22	Granted	2-Nov-25	2-Nov-26	Yes	1 & 3
166,667	\$1.08	15-Dec-22	Vested	15-Dec-23	15-Dec-26	Yes	1 & 3
166,667	\$1.08	15-Dec-22	Granted	15-Dec-24	15-Dec-26	Yes	1 & 3
166,666	\$1.08	15-Dec-22	Granted	15-Dec-25	15-Dec-26	Yes	1 & 3
125,001	\$0.845	28-Sep-23	Granted	28-Sep-24	28-Sep-27	Yes	1 & 3
125,000	\$0.845	28-Sep-23	Granted	28-Sep-25	28-Sep-27	Yes	1 & 3
124,999	\$0.845	28-Sep-23	Granted	28-Sep-26	28-Sep-27	Yes	1 & 3
1,075,000	\$0.89	29-Nov-23	Vested	29-May-24	29-May-26	Yes	1 & 3
1,075,000	\$0.89	29-Nov-23	Granted	29-Nov-24	29-Nov-26	Yes	1 & 3
1,075,000	\$0.89	29-Nov-23	Granted	29-May-25	29-May-27	Yes	1 & 3
1,075,000	\$0.89	29-Nov-23	Granted	29-Nov-25	29-Nov-27	Yes	1 & 3
1,075,000	\$0.89	29-Nov-23	Granted	29-May-26	29-May-28	Yes	1 & 3
1,075,000	\$0.89	29-Nov-23	Granted	29-Nov-26	29-Nov-28	Yes	1 & 3
<b>8,955,756</b>			<b>Total ESOP Options</b>				

Notes:

1. Issued under the terms of the INOVIQ Incentive Option Plan (ESOP).
2. Upon termination of employment, vested options expire 60 days after termination of employment other than upon death, retirement, disability, or at Board discretion. Options are to be allowed to remain exercisable until expiry upon retirement or disability. Upon death, or mental incapacity, options can be transferred to an estate, or next of kin, and allowed to remain exercisable until expiry. In case of a change of control unvested options which have not expired are deemed to have satisfied the vesting conditions.
3. Vesting basis: to remain employed by INOVIQ up until vesting date.
4. Options issued to Dr Leearne Hinch. If Dr Hinch is to leave the employment of the Group options will expire 3 months after the departure date.
5. For the options to vest (be exercisable) the 7-day volume weighted price of the Company's Shares must reach \$3.00.

ESOP options are not subject to performance conditions however are subject to continuation of employment, except in the event of forced resignation due to illness/death or retirement where the Board may exercise discretion to allow unvested options to continue onto expiry.

All options granted are in respect of ordinary shares in INOVIQ Limited and confer a right of one ordinary share for each option held. Per the terms and conditions of the Incentive Option Plan, directors retain the right to vary the terms of issued options as long as the variation does not result in a lessening of the holder's rights.

## 21 SHARE-BASED PAYMENTS (CONTINUED)

Movement in the number of share options on issue:

	2024		2023	
	Number of Options	Weighted Average Exercise Price (\$)	Number of Options	Weighted Average Exercise Price (\$)
<b>Total Options</b>				
Outstanding at the beginning of the year	9,854,647	\$2.161	9,336,978	\$1.257
Granted	6,825,000	\$0.887	650,000*	\$1.020
Forfeited	-	-	(63,000)	\$1.264
Exercised	-	-	-	-
Expired	(7,723,891)	\$2.209	(69,331)	\$1.440
Outstanding at year-end	8,955,756	\$1.149	9,854,647*	\$2.161
Exercisable at year-end	1,722,423	\$0.965	7,104,647*	\$2.131

### OPTIONS RESERVE

The number of options granted during the year pursuant to the ESOP was 6,825,000 (2023: 650,000), while no employee share options were exercised (2023: nil) and 7,723,891 employee and listed options expired during the financial year (2023: 132,331).

The value of employee share options issued during the financial year has been calculated by using a modified binomial option pricing model applying the following inputs:

Exercise prices	\$0.845 and \$0.89
Underlying share prices	Between \$0.53 and \$0.61
Days to expiration	912 to 1,827
Days to vesting	125 to 899
Expected share price volatility	Between 65% and 85%
Risk free interest rate	Between 4.01% and 4.06%

Historical volatility is assumed to be indicative of future volatility however future volatility may not replicate historical volatility.

The life of the options is based on the contracted expiry date.

### RECOGNISED SHARE-BASED PAYMENT TRANSACTIONS

Share based payment transactions recognised as operating expenses in the statement of comprehensive income during the financial years were as follows:

	For the year ended 30 June 2024 \$	For the year ended 30 June 2023 \$
Reversal of option expense for forfeited options that had not vested <sup>(i)</sup>	-	(53,573)
Options expense for options issued during the year <sup>(ii)</sup>	834,773	338,684
	<b>834,773</b>	<b>285,111</b>

(i) Reversal of option expense for forfeited options that had not vested  
No options lapsed without vesting during the financial year (2023: 63,000).

(ii) Options grant expense for options issued during the year  
During the 2024 financial year, the Company issued 6,750,000 options under INOVIQ's Incentive Option Plan. 6,450,000 of these options were issued to Company Chairman, David Williams, 250,000 to the CEO, Dr Leeanne Hinch and 50,000 to the CSO, Dr Greg Rice, under the Company's Incentive Option Plan. 75,000 options were also issued to employees.

# Notes to the Financial Statements continued

for the year ended 30 June 2024

## 22 AUDITOR'S REMUNERATION

	For the year ended 30 June 2024 \$	For the year ended 30 June 2023 \$
Amounts received or due and receivable by the Company's auditors Grant Thornton for:		
- Auditing the statutory financial report of the Parent company of the Group and auditing the statutory financial reports of any controlled entity.	118,965	122,460
	118,965	122,460

## 23 RELATED PARTY DISCLOSURES

### Other related party transactions

#### (A) WHOLLY OWNED GROUP TRANSACTIONS

Details of interests in controlled entities are set out in Note 24.

#### (B) ULTIMATE PARENT COMPANY

INOVIQ Limited is the ultimate legal Australian holding Company.

#### (C) TRANSACTIONS WITH OTHER RELATED PARTIES

Kidder Williams, a Corporate Advisory and Investment Banking services firm owned by INOVIQ Chairman David Williams, received Corporate Advisory fees from INOVIQ during the year totalling \$70,000.

Kidder Williams also advised INOVIQ on its June 2024 capital raise, receiving \$189,063 for services provided in conjunction with the placement component of the raising.

The Company does not have any other transactions with other related parties.

## 24 CONTROLLED ENTITIES

Consolidated entities of INOVIQ Ltd	Country of Incorporation	Equity Interest held %	
		30 June 2024	30 June 2023
Sienna Cancer Diagnostics Limited	Australia	100	100
INOVIQ Inc. (formerly Sienna Cancer Diagnostics Inc.)	U.S.A.	100	100
Melbourne Diagnostics Pty Ltd	Australia	100	100

## 25 EVENTS SUBSEQUENT TO BALANCE DATE

The following announcements were made via the ASX announcement platform since the end of the reporting period:

- On 5 July 2024, the Company announced the completion of the Share Purchase Plan (SPP) component of the capital raise announced on 12 June 2024. The SPP raised \$2.379m (gross) post 30 June 2024 and issued 2,378,914 listed options on 9 July 2024;
- 6,749,999 listed options attaching to the June 2024 placement were also issued on 9 July 2024; and
- On 20 August 2024, the Company announced that it had further validated its NEURO-NET technology for isolation of brain-derived exosomes in Parkinsons' Disease.

At the date of this report, other than that outlined above, there have been no matters or circumstances that have arisen since the end of the period which significantly, or may significantly effect:

- The Group's operations in future years;
- The results of those operations in future years; or
- The Group's state of affairs in future years.

## 26 PARENT ENTITY

	For the year ended 30 June 2024 \$	For the year ended 30 June 2023 \$
<b>Information relating to INOVIQ Limited</b>		
Current assets	<b>10,350,266</b>	8,825,891
Non-current assets	<b>6,124,936</b>	37,047,702
<b>Total assets</b>	<b>16,475,202</b>	45,873,593
Current liabilities	<b>982,283</b>	673,757
Non-current liabilities	<b>22,307</b>	58,712
<b>Total liabilities</b>	<b>1,004,590</b>	732,469
Issued capital	<b>137,225,186</b>	131,152,944
Accumulated losses	<b>(123,557,708)</b>	(87,691,436)
Share based payment reserve	<b>1,803,134</b>	1,679,616
<b>Total shareholders' equity</b>	<b>15,470,612</b>	45,141,124
Loss of the parent entity	<b>(36,577,528)</b>	(11,253,437)
Total comprehensive loss of the parent entity	<b>(36,577,528)</b>	(11,253,437)

Refer to Note 28 for disclosure of any contingent asset and liabilities of the parent entity.

## 27 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

### (A) FINANCIAL RISK MANAGEMENT OBJECTIVES & POLICIES

The Group's principal financial instruments comprise cash and equity instruments.

The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various other financial assets and liabilities such as receivables and payables, which arise directly from its operations.

The main risks arising from the Group's financial instruments are interest rate risk, credit risk, equity price risk, foreign currency risk and liquidity risk. The Group uses different methods to measure and manage different types of risks to which it is exposed. These include monitoring levels of exposure to interest rate, foreign exchange risk and assessments of market forecasts for interest rate, foreign exchange, and commodity prices. Ageing analysis and monitoring of receivables are undertaken to manage credit risk. Liquidity risk is monitored through the development of future rolling cash flow forecasts.

The Chairman is responsible for managing the risks associated with the Group's financial investments and reporting to the board of directors. The board reviews and agrees policies for managing each of these risks as summarised below:

Details of the material accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in Note 2 to the financial statements.

# Notes to the Financial Statements continued

for the year ended 30 June 2024

## 27 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

### (B) INTEREST RATE RISK - CONSOLIDATED

The Group's exposure to interest rate risks and the effective interest rates of financial assets (excluding investments in controlled entities and associates) and financial liabilities are as follows:

Financial Instrument	Floating Interest Rate		Non-Interest Bearing		Total	
	30 June 2024 \$	30 June 2023 \$	30 June 2024 \$	30 June 2023 \$	30 June 2024 \$	30 June 2023 \$
<b>(i) Financial Assets</b>						
Cash and cash equivalents	9,233,192	7,812,511	-	-	9,233,192	7,812,511
Trade and other receivables	-	-	1,274,097	1,193,007	1,274,097	1,193,007
<b>Total financial assets</b>	<b>9,233,192</b>	<b>7,812,511</b>	<b>1,274,097</b>	<b>1,193,007</b>	<b>10,507,289</b>	<b>9,005,518</b>
<b>(ii) Financial Liabilities</b>						
Trade and other payables	-	-	920,527	787,796	920,527	787,796
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>920,527</b>	<b>787,796</b>	<b>920,527</b>	<b>787,796</b>

A reasonably possible change in interest rates would not have a material impact on the financial position or performance of the Group.

### (C) FAIR VALUES

The fair values of financial assets and financial liabilities are an approximate estimation of their carrying value in the Statement of Financial Position.

The fair values have been determined based on the following methodologies:

- Cash and cash equivalents, trade and other receivables, and trade and other payables are short term instruments in nature whose carrying value is equivalent to fair value.

### (D) CREDIT RISK

The Group's maximum exposure to credit risk at balance date in relation to each class of recognised financial asset is the carrying amount, net of any allowance for expected credit loss, of those assets as indicated in the Statement of Financial Position. Exposure arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the Group.

Credit risk is managed through maintaining procedures ensuring, to the extent possible, that members and counterparties to transactions are of sound credit worthiness.

#### Credit risk exposures

Cash reserves form the majority of the Group's financial assets. At 30 June 2024, cash was deposited with two financial institutions, including one large Australian bank and a U.S. bank account maintained with a Canadian bank.

At 30 June 2024, the Group did not have a material credit risk exposure to a single trade debtor.

### (E) LIQUIDITY RISK

Liquidity risk arises from the financial liabilities of the Group and the subsequent ability to meet the obligations to repay the financial liabilities as and when they fall due. The Group's objective is to maintain consistency of funding via the raising of equity or short-term loans as and when required. All liabilities are contractually due and payable in the next six months.

### (F) FOREIGN CURRENCY RISK

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. The functional currency of the parent entity is Australian dollars. The Group contains one foreign subsidiary, INOVIQ INC, which is domiciled in the U.S. This exposes the Group to foreign exchange risk arising from fluctuations of the Australian dollar against the United States Dollar.

The exposure to risks is measured using sensitivity analysis and cash flow forecasting.

## 27 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

The Group has not formalised a foreign currency risk management policy however, it monitors its foreign currency expenditure in light of exchange rate movements. The Group does not have any further material foreign currency dealings other than the noted currencies.

The Group's exposure to foreign currency risk at the reporting date, expressed in Australian Dollars as follows:

	As at 30 June 2024 \$	As at 30 June 2023 \$
<b>Financial assets</b>		
Cash and cash equivalents	162,380	55,229
Trade and other receivables	10,274	49,813
Total financial assets	172,654	105,042
<b>Financial liabilities</b>		
Trade and other payables	12,155	8,853
Total financial liabilities	12,155	8,853

The following conversion rates were used at the end of the financial year:

USD/AUD: 1.5055 (2023: 1.5009)

For all periods presented, the Group did not enter into or hold any foreign exchange derivatives. Given the immaterial exposure, a reasonably possible change in foreign exchange rates would not have a material impact on the financial position or performance of the Group.

## 28 CONTINGENT ASSET AND LIABILITIES

The Group has the following contingent liabilities at 30 June 2024:

- Sienna Cancer Diagnostics Limited, a wholly owned subsidiary of INOVIQ Limited, has a contingent liability in the form of milestone payments to Sevident Inc. shareholders, the entity from which Sienna purchased the Molecular Net capture platform technology in April 2019. Sevident Inc. shareholders are entitled to receive up to a value of US\$1.5 million in scrip (or cash) upon the realisation of future Molecular Net product revenue milestones.
- INOVIQ Limited has contingent liabilities in the form of the milestone payments detailed below, under the SubB2M Technology Licence Agreement with The University of Adelaide:

Milestone amount	Milestone
\$50,000	\$500,000 in net sales
\$100,000	\$2,000,000 in net sales
\$400,000	\$5,000,000 in net sales
\$500,000	\$20,000,000 in net sales

The milestone payments are one off payments on the aggregate of all net sales of all products from the commencement date of the licence agreement and are not payable on a product-by-product or field-by-field basis.

The Company is not aware of any other contingent liabilities as at 30 June 2024.

## 29 SIGNIFICANT EVENTS AND TRANSACTIONS

### CAPITAL RAISE

In June 2024 INOVIQ completed a placement to institutional and sophisticated investors, raising \$7.0 million (before costs) via 14 million new fully paid ordinary shares in the Company at \$0.50 per Share, with one free quoted option for every two new Shares issued under the Placement with an exercise price of \$1.00 and two-year expiry. The pricing of the Placement represented an 11.5% discount to the last traded market price. \$0.25m (500,000 Shares) of the Placement (and 250,000 attaching Placement Options), representing the Board's participation in the capital raise, are subject to shareholder approval at a general meeting to be held on 21 August 2024.

# Consolidated Entity Disclosure Statement

Entity name	Entity type	Trustee, partner or participant in joint venture	Body corporates		Tax residency	
			Place formed or Incorporated	% of share capital held	Australian or foreign	Foreign jurisdiction
INOVIQ Limited	Body corporate	n/a	Australian	N/A	Australian <sup>(i)</sup>	N/A
Sienna Cancer Diagnostics Limited	Body corporate	n/a	Australian	100%	Australian <sup>(i)</sup>	N/A
Melbourne Diagnostics Pty Ltd	Body corporate – non operating	n/a	Australian	100%	Australian	N/A
INOVIQ Inc.	Body corporate	n/a	USA	100%	Foreign	USA

(i) This entity is part of a tax consolidated group under Australian taxation law, for which INOVIQ Limited is the head entity

## BASIS OF PREPARATION

This Consolidated Entity Disclosure Statement (CEDS) has been prepared in accordance with the *Corporations Act 2001* and includes required information for each entity that was part of the consolidated entity as at the end of the financial year.

## CONSOLIDATED ENTITY

This CEDS includes only those entities consolidated as at the end of the financial year in accordance with AASB 10 Consolidated Financial Statements (AASB 10). Determination of Tax Residency Section 295 (3A) of the *Corporations Act 2001* defines tax residency as having the meaning in the *Income Tax Assessment Act 1997*. The determination of tax residency involves judgment as there are currently several different interpretations that could be adopted, and which could give rise to a different conclusion on residency. In determining tax residency, the consolidated entity has applied the following interpretations:

## AUSTRALIAN TAX RESIDENCY

The consolidated entity has applied current legislation and judicial precedent, including having regard to the Tax Commissioner's public guidance.

## FOREIGN TAX RESIDENCY

Where necessary, the consolidated entity has used independent tax advisers in foreign jurisdictions to assist in its determination of tax residency to ensure applicable foreign tax legislation has been complied with.

## PARTNERSHIPS AND TRUSTS

Australian tax law does not contain specific residency tests for partnerships and trusts. Generally, these entities are taxed on a flow-through basis so there is no need for a general residence test. There are some provisions which treat trusts as residents for certain purposes but this does not mean the trust itself is an entity that is subject to tax. Additional disclosures on the tax status of partnerships and trusts have been provided where relevant.



## Directors' Declaration

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The Directors of the Company declare that:

1) In the opinion of the Directors:

The financial statements, notes and additional disclosures included in the Directors' report designated as audited, of the Group are in accordance with the *Corporations Act 2001*, including:

- (a) Complying with Accounting Standards and the Corporations Regulations 2001; and
- (b) Giving a true and fair view of the Group's financial position as at 30 June 2024 and of its performance for the year ended on that date;

2) The financial report also complies with International Financial Reporting Standards.

3) In the Directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

4) The consolidated entity disclosure statement is true and correct as at 30 June 2024.

5) This declaration has been made after receiving the declarations required to be made to the Directors in accordance with section 295A of the *Corporations Act 2001* for the financial year ended 30 June 2024.

This declaration is made in accordance with a resolution of the Board of Directors signed on 21 August 2024.



**Mr David Williams**  
Non-Executive Chairman

Dated 21 August 2024

# Corporate Governance Statement

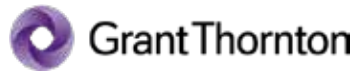
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## OVERVIEW

The Board of INOVIQ is responsible for the corporate governance of the Group and guides and monitors the business on behalf of its shareholders. The Board has strived to reach a balance between industry best practice and appropriate policies for INOVIQ in terms of its size, stage of development and role in the biotechnology industry. INOVIQ performed a review of its Board policies and governance practices with reference to the eight Principles of Good Corporate Governance (**Principles**) and the Best Practice Recommendations (**Recommendations**) established by the ASX Corporate Governance Council. The Recommendations are not mandatory and cannot, in themselves, prevent corporate failure or poor corporate decision-making. They are intended to provide a reference point for companies regarding their corporate governance structures and practices.

The Directors have considered each of the core Principles and Recommendations applicable for the year ended 30 June 2024. There are instances where the Group would not benefit from compliance with the Recommendations, and in some instances the Group has not had the resources to comply. The Recommendations that were not adopted are discussed in the Corporate Governance Statement located on the Company's website.

INOVIQ's Corporate Governance Statement, which summarises the Group's corporate governance practices and incorporates the disclosures required by the ASX Principles, can be viewed on the Company's website at <https://www.inoviq.com/site/investors/corporate-governance>.



**Grant Thornton Audit Pty Ltd**  
Level 22 Tower 5  
Collins Square  
727 Collins Street  
Melbourne VIC 3008  
GPO Box 4736  
Melbourne VIC 3001  
T +61 3 8320 2222

## Independent Auditor's Report

To the Members of INOVIQ Limited

### Report on the audit of the financial report

#### Opinion

We have audited the financial report of INOVIQ Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2024, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information, the consolidated entity disclosure statement and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- a giving a true and fair view of the Group's financial position as at 30 June 2024 and of its performance for the year ended on that date; and
- b complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

#### Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit 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 financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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Key audit matter	How our audit addressed the key audit matter
<p data-bbox="352 555 687 607"><b>Carrying value of intangible assets - refer to note 2 (e) (xi) and note 10</b></p> <p data-bbox="352 618 820 719">At 30 June 2024, the carrying value of intangible assets on the balance sheet included \$246,937 for the hTERT asset; \$8,031,407 for the NETs asset and \$1,150,000 for the SubB2M asset.</p> <p data-bbox="352 730 820 808">In accordance with AASB 136 <i>Impairment of Assets</i> (AASB 136), management has performed impairment testing on these assets.</p> <p data-bbox="352 819 820 898">This as a key audit matter due to the significant judgements and estimation uncertainty in determining the carrying value of these assets.</p>	<p data-bbox="831 618 1193 640">Our procedures included, amongst others:</p> <ul data-bbox="831 651 1311 1189" style="list-style-type: none"> <li data-bbox="831 651 1311 707">• Updating our understanding of management's process and controls for assessment of impairment;</li> <li data-bbox="831 719 1311 797">• Evaluating whether the relevant controls are designed effectively and performing a walkthrough to determine if they have been implemented;</li> <li data-bbox="831 808 1311 864">• Reviewing management's assessment of impairment indicators;</li> <li data-bbox="831 875 1311 976">• Obtaining management's impairment calculations and, where required evaluating the methodology and assumptions against the requirements of AASB 136;</li> <li data-bbox="831 987 1311 1066">• Challenging the appropriateness of the assumptions used in the models and testing the mathematical accuracy of the calculations;</li> <li data-bbox="831 1077 1311 1133">• Validating the appropriateness of management's analysis of the recoverable amount; and</li> <li data-bbox="831 1144 1311 1189">• Evaluating the adequacy of disclosures in the financial statements.</li> </ul>
<p data-bbox="352 1211 799 1263"><b>Research and development (R&amp;D) tax incentive - refer to note 2 (e) (iii), note 4 and note 8</b></p> <p data-bbox="352 1274 820 1375">For the year ended 30 June 2024, the Group recorded a research and development tax incentive refund of \$1,026,444 in the consolidated statement of comprehensive income.</p> <p data-bbox="352 1386 820 1464">The Group was assisted by a specialist with the review of the eligibility of expenses and with the lodgement of the R&amp;D tax incentive claim.</p> <p data-bbox="352 1476 820 1626">This is a key audit matter as there is inherent subjectivity involved in the Group's judgements in relation to the calculation and recognition of the R&amp;D tax incentive income and receivable, with several assumptions made in determining the eligibility of claimable expenses.</p>	<p data-bbox="831 1274 1193 1296">Our procedures included, amongst others:</p> <ul data-bbox="831 1308 1311 1930" style="list-style-type: none"> <li data-bbox="831 1308 1311 1386">• Evaluating the competence, capabilities and qualification of management's expert to review the calculation;</li> <li data-bbox="831 1397 1311 1453">• Reviewing the reasonableness of the assumptions in the calculation;</li> <li data-bbox="831 1464 1311 1520">• Testing the mathematical accuracy of the calculation;</li> <li data-bbox="831 1532 1311 1610">• Agreeing a sample of expenses to the underlying supporting documents and reviewing for reasonableness;</li> <li data-bbox="831 1621 1311 1744">• Considering the nature of the expenses against the eligibility criteria of the R&amp;D Tax Incentive Scheme to form a view about whether the expenses included in the estimate were likely to meet the eligibility criteria;</li> <li data-bbox="831 1756 1311 1812">• Inspecting copies of relevant correspondence with AusIndustry and the ATO related to the claim;</li> <li data-bbox="831 1823 1311 1879">• Using an internal R&amp;D specialist to review the claim prepared by management's specialist; and</li> <li data-bbox="831 1890 1311 1930">• Evaluating the adequacy of the disclosures in the financial statements.</li> </ul>

### Information other than the financial report and auditor's report thereon

The Directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2024, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Responsibilities of the Directors for the financial report

The directors of the Company are responsible for the preparation of:

- a the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* (other than the consolidated entity disclosure statement); and
- b the consolidated entity disclosure statement that is true and correct in accordance with the *Corporations Act 2001*, and

for such internal control as the directors determine is necessary to enable the preparation of:

- i the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
- ii the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

In preparing the financial report, the Directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

### Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: [http://www.auasb.gov.au/auditors\\_responsibilities/ar1\\_2020.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar1_2020.pdf). This description forms part of our auditor's report.

### Report on the remuneration report

#### Opinion on the remuneration report

We have audited the Remuneration Report included in pages 25 to 29 of the Directors' report for the year ended 30 June 2024.

In our opinion, the Remuneration Report of INOVIQ Limited, for the year ended 30 June 2024 complies with section 300A of the *Corporations Act 2001*.

## Responsibilities

The Directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.



Grant Thornton Audit Pty Ltd  
Chartered Accountants



M A Cunningham  
Partner – Audit & Assurance  
Melbourne, 21 August 2024

## Shareholder Information

INOVIQ Ltd's ordinary shares are quoted on the Australian Securities Exchange (ASX) under the ticker code IIQ and the Company's listed options are quoted under the ticker code IIQO. The following information was extracted from the Company's records as at 2 September 2024 and is required by the ASX Listing Rules. At the close of trading on 2 September 2024, the Company's share price was \$0.555. INOVIQ's securities are not quoted on any other stock exchange. There is currently no on-market buy-back of INOVIQ's listed ordinary shares.

### NUMBER OF SECURITIES ON ISSUE

The following securities were on issue as at 2 September 2024:

- 110,776,702 fully paid ordinary shares
- 9,378,913 listed options
- 8,824,889 unlisted options issued under the Company's Incentive Option Plan (IOP), expiring on various dates and exercisable at various prices. Note 21 of the financial statements provides further details of the options on issue at 30 June 2024.

### ORDINARY SHARES

#### Range of Units as of 2 September 2024

Range	Total holders	Units	% Units
1 - 1,000	2,295	1,048,595	0.95
1,001 - 5,000	1,902	4,916,270	4.44
5,001 - 10,000	658	5,074,649	4.58
10,001 - 100,000	933	29,263,910	26.42
100,001 Over	158	70,473,278	63.62
<b>Rounding</b>			-0.01
<b>Total</b>	<b>5,946</b>	<b>110,776,702</b>	<b>100.00</b>

#### Unmarketable Parcels

	Minimum Parcel Size	Holders	Units
Minimum \$ 500.00 parcel divided by \$0.555 per ordinary share	901	1,963	720,832

## Shareholder Information continued

### TOP 20 SHAREHOLDERS AS OF 2 SEPTEMBER 2024

Rank	Name	Units	% Units
1	THE TRUST COMPANY AUSTRALIA LIMITED <MOF A/C>	6,487,000	5.86
2	FRESH START AUSTRALIA PTY LTD	4,000,000	3.61
3	DR IRMGARD IRMINGER-FINGER	3,380,000	3.05
4	THE TRUST COMPANY (AUSTRALIA) LIMITED <MBF A/C>	3,139,333	2.83
5	LAWN VIEWS PTY LTD <ANGELA WILLIAMS FAMILY A/C>	2,676,924	2.42
6	MOGGS CREEK PTY LTD <MOGGS CREEK SUPER A/C>	2,389,747	2.16
7	CITICORP NOMINEES PTY LIMITED	2,056,600	1.86
8	LESAMOURAI PTY LTD	2,000,000	1.81
9	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	1,667,697	1.51
10	MR PETER WILLIAM ROGERS + MS ALIDA JOHANNA CLARK <R&C SUPER FUND A/C>	1,304,436	1.18
11	SUPERGUN PTY LTD <BRICKLANDING SUPER FUND A/C>	1,160,000	1.05
12	TROVEX PTY LTD	1,090,000	0.98
13	MR NATHAN RYAN WAGNER	1,010,562	0.91
14	MR ADAM GARRIGAN	1,000,000	0.90
15	BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP>	997,265	0.90
16	MR NEIL DONAL DELROY <THE NDD INVESTMENT A/C>	956,000	0.86
17	TRAOJ PTY LTD <TRAOJ A/C>	952,933	0.86
18	DAVID NEATE	902,257	0.81
19	B & M LAWS SUPER FUND PTY LTD <B & M LAWS SUPER FUND A/C>	660,000	0.60
20	UBS NOMINEES PTY LTD	600,000	0.54
<b>Top 20 holders of ORDINARY FULLY PAID SHARES (Total)</b>		<b>38,430,754</b>	<b>34.69</b>

The portion of shares held by the 20 largest shareholders in the Company is 34.69%.

### LISTED OPTIONS

#### Range of Units as of 2 September 2024

Range	Total holders	Units	% Units
1 - 1,000	186	186,000	1.98
1,001 - 5,000	159	407,233	4.34
5,001 - 10,000	54	406,387	4.33
10,001 - 100,000	113	3,384,923	36.09
100,001 Over	10	4,994,370	53.25
<b>Rounding</b>			0.01
<b>Total</b>	<b>522</b>	<b>9,378,913</b>	<b>100.00</b>

#### Unmarketable Parcels

	Minimum Parcel Size	Holders	Units
Minimum \$ 500.00 parcel divided by \$0.14 per listed option	3,572	312	441,790



## TOP 20 LISTED OPTION-HOLDERS AS OF 2 SEPTEMBER 2024

Rank	Name	Units	% Units
1	FRESH START AUSTRALIA PTY LTD	2,000,000	21.32
2	CITICORP NOMINEES PTY LIMITED	1,011,058	10.78
3	THE TRUST COMPANY (AUSTRALIA) LIMITED <MBF A/C>	480,000	5.12
4	MR NEIL DONAL DELROY <THE NDD INVESTMENT A/C>	375,000	4.00
5	NEWECONOMY COM AU NOMINEES PTY LIMITED <900 ACCOUNT>	350,469	3.74
6	CARRIBEAN INVESTMENTS PTY LTD <JAMIESON FAMILY A/C>	240,000	2.56
7	DELROY INVESTMENT PTY LTD <DELROY SUPER FUND A/C>	145,000	1.55
8	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	132,843	1.42
9	RIVISTA PTY LTD	130,000	1.39
10	TROVEX PTY LTD	130,000	1.39
11	HINCH INVESTMENTS PTY LTD <L M HINCH SUPER FUND A/C>	100,000	1.07
12	JONDOL PTY LTD <JONDOL ESTATES S/F A/C>	100,000	1.07
13	S3 CONSORTIUMHOLDINGS PTY LTD <NEXT INVESTORS DOT COM A/C>	100,000	1.07
14	OXLEY PROPERTY NOMINEES PTY LTD <OXLEY FAMILY A/C>	95,000	1.01
15	MOGGS CREEK PTY LTD <MOGGS CREEK SUPER A/C>	90,000	0.96
16	AMN AMRO CLEARING SYDNEY NOMINEES PTY LTD <CUSTODIAN A/C>	84,000	0.90
17	PERSEVER PTY LTD	75,000	0.80
18	TOWNEND INVESTMENTS PTY LTD <GREATER VISION SUPER A/C>	75,000	0.80
19	MR SHANE GEOFFREY WHITE	75,000	0.80
20	WHITEHORSE GROUP NOMINEES PTY LTD <S WHITE SUPER FUND A/C>	75,000	0.80
<b>Top 20 holders of LISTED OPTIONS (Total)</b>		<b>5,863,370</b>	<b>62.52</b>

The portion of listed options held by the 20 largest shareholders in the Company is 62.52%.

## UNLISTED OPTIONS

At 2 September 2024 unlisted options were held by 11 different holders.

## VOTING RIGHTS

In accordance with the Company's Constitution, voting rights of ordinary shares are on a show of hands whereby each member present in person (or representing a corporation who is a member) shall have one vote and upon a poll, each share will have one vote. Holders of listed options and options issued under the IOP do not have voting rights attached.

## RESTRICTED SECURITIES

As at the date of this report there are no restricted securities on issue.

## SUBSTANTIAL ORDINARY SHAREHOLDERS AS AT 2 SEPTEMBER 2024

The substantial shareholder pursuant to the provisions of the Corporations Act and listed in the Company's register is as follows:

Rank	Name	Units	% Units
1	MERCHANT FUNDS MANAGEMENT PTY LTD	13,082,057	14.22

# Corporate Directory

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**ASX Code: IIQ**

## **DIRECTORS**

Mr David Williams	Non-Executive Chairman (since 29 November 2023)
Dr Geoffrey Cumming	Non-Executive Director Non-Executive Chairman (until 29 November 2023)
Mr Robert (Max) Johnston	Non-Executive Director
Mr Philip Powell	Non-Executive Director

## **CHIEF EXECUTIVE OFFICER**

Dr Leearne Hinch

## **CHIEF FINANCIAL OFFICER AND COMPANY SECRETARY**

Mr Mark Edwards

## **CHIEF SCIENTIFIC OFFICER**

Dr Gregory Rice

## **REGISTERED OFFICE AND POSTAL ADDRESS**

23 Normanby Road  
Notting Hill Victoria 3168  
Telephone: +61 3 95487586

## **SHARE REGISTRY**

**Computershare Investor Services Pty Ltd**

452 Johnston Street  
Abbotsford Victoria 3067  
Telephone: 1300 850 505  
Overseas: +61 3 9145 4000

## **AUDITORS**

**Grant Thornton Audit Pty Ltd**

727 Collins Street  
Melbourne Victoria 3008

## **SOLICITORS**

**Minter Ellison**

Level 20, Collins Arch  
447 Collins Street  
Melbourne Victoria 3000

**Website:** [www.inoviq.com](http://www.inoviq.com)





**INOVIQ Ltd**  
23 Normanby Road  
Notting Hill VIC 3168  
Australia  
T +61 3 9548 7586

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