Appendix 4D

For the Half Year ended 31 December 2021

Name of entity	ABN
INOVIQ Limited	58 009 070 384

Basis of preparation

This report has been based on accounts which have been reviewed by the INOVIQ's auditors, Grant Thornton Audit Pty Ltd.

Reporting period

Report for the half year ended 31 December 2021

Comparative period is the half year ended 31 December 2020

Results for announcement to the market

	31 Dec 2021	31 Dec 2020	Change	Change
	$	$	$	%
Product revenue	67,411	148,150	(80,739)	54%
Other income	1,090,656	193,153	897,503	465%
Net loss for the half year	(2,673,076)	(3,249,893)	576,817	18%
Total comprehensive loss for the period attributable to members	(2,615,554)	(3,302,134)	686,580	21%

Dividends

No dividends were paid during the current or previous half year period and no dividends have been declared subsequent to the half year end and up to the date of this report. There are no dividend or distribution reinvestment plans in operation.

Net tangible asset backing per ordinary share

	31 Dec 21 cents	30 June 21 cents
Net tangible asset backing per ordinary share	18.9	2.2

Other disclosures and financial information

For other Appendix 4D disclosures, refer to the Half-year Financial Report for the period ended 31 December 2021 attached.

Signed:

Dr Geoffrey Cumming
Chairman

Melbourne

Date: 25 February 2022

INOVIQ LIMITED (ASX:IIQ)

ABN 58 009 070 384

FINANCIAL REPORT

FOR THE HALF YEAR ENDED 31 DECEMBER 2021

CONTENTS

DIRECTORS' REPORT

The Directors of INOVIQ Limited and its controlled entities ("INOVIQ", "the Group", or "the Company") present their report for the half year ended 31 December 2021.

Directors

The names of the Company's Directors in office during the period, and until the date of this report, are as follows. Directors were in office for the entire period unless otherwise stated.

Dr Geoffrey James Cumming	Non-Executive Chairman
Robert (Max) Johnston	Non-Executive Director
Philip John Powell	Non-Executive Director
Professor Allan William Cripps	Non-Executive Director

Chief Executive Officer

Dr Leearne Maree Hinch

CFO & Company Secretary

Tony Di Pietro

Chief Scientific Officer

Dr Peter William French (until 17 August 2021)
Dr Gregory Edward Rice (commenced 20 September 2021)

RESULTS OF OPERATIONS

The Group reported a net loss of $2,673,076 for the half-year ended 31 December 2021 (net loss for the half-year ended 31 December 2020: $3,249,893).

PRINCIPAL ACTIVITIES

INOVIQ (ASX:IIQ) is developing and commercialising an innovative portfolio of diagnostic and exosome-based products to improve the diagnosis and treatment of cancer and other diseases. The Company has commercialised the hTERT test used as an adjunct to urine cytology testing for bladder cancer and the EXO-NET® pan-exosome capture tool for use in exosome research. The cancer diagnostic pipeline includes blood tests in development for earlier and more accurate detection and monitoring of ovarian, breast and other cancers.

HIGHLIGHTS

INOVIQ made substantial progress during the half-year to 31 December 2021, and up to the date of this report. The Company continued to advance its innovative diagnostic and exosome-based products and pipeline towards key development and commercialisation milestones including:

Commercial

- **Positive EXO-NET RUO evaluations** concluded with key Australian research institutions and follow-on collaborations being finalised
- **BARD1 patents granted** in the US and China for 'Lung Cancer Diagnosis' protecting a potential BARD1 autoantibody test for lung cancer

Research & Development

- **Proof-of-Concept (POC) achieved for SubB2M-based immunoassay** for ovarian cancer in feasibility studies
- **SubB2M program advanced** development of CA15.3 and CA125 monoclonal antibodies for use in SubB2M breast and ovarian cancer tests
- **EXO-NET RUO program** focused on development of new research products to isolate specific exosome subsets for use in targeted disease applications
- **Promising exosome-based ovarian cancer test data** released by collaborator University of Queensland (UQ) who used EXO-NET for isolation of exosomes
- **BARD1 autoantibody program** and data underwent comprehensive review
- **New multiomic exosome-liquid biopsy project** commenced combining EXO-NET exosome capture and BARD1 biomarker technologies for earlier detection of breast and ovarian cancers

Corporate

- **Capital raising of $18.4m** from a Placement and Share Purchase Plan strengthened cash balance
- **Dr Greg Rice appointed as CSO** to accelerate commercial development of diagnostic tests
- **Company renamed INOVIQ** to reflect 'intelligent innovation' of future diagnostic and exosome-based product pipeline

Financial

- **Cash of $18.6 million** at 31 December 2021 to fund operations and pipeline development, providing approximately 10 quarters of cash at the current cash burn rate
- **Net loss of $2.7 million** for the half-year ended 31 December 2021

During the half-year period, the Company completed a successful capital raising of $18.4 million to fund our development programs, important progress on the development of our multi-product SubB2M and EXO-NET pipeline, multiple evaluations of our new RUO EXO-NET product for exosome capture, and a corporate rebrand to INOVIQ Ltd to reflect our expanded focus on commercialising *innovative* diagnostic and exosome-based solutions for the *intelligent* diagnosis and treatment of cancer and other diseases.

REVIEW OF OPERATIONS

The Group made strong progress during the half-year having raised $18.4 million to strengthen its balance sheet, progressed its diagnostic pipeline towards key milestones, advanced evaluations of our new RUO EXO-NET product for exosome capture, and completed a corporate rebrand to INOVIQ Ltd.

COMMERCIAL PROGRESS

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

hTERT ICC test

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

The COVID-19 Omicron variant has continued to reduce routine pathology testing and is a key factor leading to reduction in revenue recorded for the reporting period of $64,563, compared to $148,150 for the six months to December 2020.

INOVIQ's US distributor, StatLab, placed multiple orders in the June 2021 quarter in anticipation of an uplift in sales during the half-year to December 2021. However, hTERT sales remained flat due to the continuing COVID-19 epidemic, resulting in existing US laboratory customers being supplied from StatLab inventory.

A new order for 30 vials of hTERT was received by StatLab in February 2022. Sales of hTERT are expected to remain flat until the pandemic abates.

EXO-NET® RUO pan-exosome capture tool

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

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

Additionally, the Company continued discussions with potential commercial partners to manufacture and distribute EXO-NET RUO to expand its international reach and support sales, marketing, and distribution of the product for research applications.

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

Intellectual Property (IP) Portfolio

The Group owns or exclusively licenses a broad intellectual property (IP) portfolio of granted patents, patent applications, trade secrets and trademarks protecting its core technologies, products, processes and brands. The Group had 38 granted patents, 19 patents pending and 2 new provisional patent applications as at 31 December 2021, covering its SubB2M, Molecular NET, BARD1, and hTERT technologies and products across key jurisdictions including the United States, Europe, Asia, and Australia.

During the half-year the following patents were issued:

- On 12 November 2021, INOVIQ announced that US Patent No 11137402 was issued by the United States Patent and Trademark Office covering lung cancer diagnosis.
- On 24 December 2021, INOVIQ announced that Chinese Patent ZL 201480071075.7 titled 'Lung Cancer Diagnosis' was issued by the Chinese Patent Office.

Quality and regulatory update

On 8 July 2021, INOVIQ completed the annual audit of its ISO 13485:2016 Quality Management System (QMS). The Company was audited remotely (due to COVID-19 restrictions) and was successful in ISO re-certification. The next major ISO audit will be in July 2022.

[1] INOVIQ internal data 2021, in preparation for publication.
[2] RUO = Research Use Only

As part of INOVIQ's continuous improvement program, a new electronic quality management system (eQMS) for processing and storage of research data and clinical samples was implemented to enable effective alignment of R&D activities with global quality and regulatory requirements.

RESEARCH AND DEVELOPMENT (R&D) PROGRESS

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

SubB2M program

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

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

On 17 August 2021, proof-of-concept (POC) was achieved for the Company's SubB2M-CA125 ELISA-based test for ovarian cancer. INOVIQ's collaborator, the Institute for Glycomics at Griffith University (Griffith), demonstrated that an initial SubB2M-CA125 assay could detect CA125-Neu5Gc in serum from stages I-IV ovarian cancer (OC) patients compared to healthy controls at biologically relevant concentrations.

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

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

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

EXO-NET program

Exosomes are extracellular vesicles (EVs) released by cells containing DNA, RNAs, proteins and lipids that are important biomarkers for diagnosis and treatment of multiple diseases including cancer. EXO-NET is INOVIQ's exosome isolation technology that uses a proprietary affinity capture matrix that can be customised to isolate specific subsets of EVs applied to beads or other surfaces to enable capture, release and scalable isolation of exosomes for exosome-based research, diagnostic and therapeutic applications.

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

During the half-year, the **EXO-NET research program** was focused on 1) completing comparison studies for its RUO EXO-NET product, and 2) building and testing new EXO-NET prototypes for capture and/or release of specific exosome-subsets that may be relevant in targeted disease applications. Research is ongoing with several collaborations being progressed with academic and industry groups with the aim of supplying pan or customised EXO-NET's to partners for use in research and development of exosome-based diagnostics and therapeutics.

On 28 July 2021, INOVIQ announced that its collaborator, University of Queensland (UQ) had released promising data for its potential exosome-based ovarian cancer test. INOVIQ's EXO-NET RUO product was used by the UQ researchers to isolate exosomes from the blood of ovarian cancer patients within 15 minutes, with high purity and yield.

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

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

BARD1 program

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

Previously, the Company and its collaborator University of Geneva (UNIGE) performed exploratory, case-control studies showing the high accuracy of BARD1 autoantibody (AAb) tests for the detection of ovarian, breast and lung cancers compared to healthy controls using Meso Scale Diagnostic instrumentation.

Subsequently, the Company contracted the development of a 20-plex BARD1 AAb kit compatible with the Luminex platform that was evaluated by both UNIGE and Griffith University.

During the half-year, INOVIQ initiated a comprehensive review of the BARD1 autoantibody program and data generated at both UNIGE and Griffith University to inform further research direction, assay design and future studies. Additionally, the Company evaluated alternative BARD1 biomarker approaches in combination with its NETs technology.

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

CORPORATE INITIATIVES

Capital raising

INOVIQ completed a successful capital raising of $18.4 million including a $15 million placement to institutional and sophisticated investors on 23 July 2021, and a $3.4 million Share Purchase Plan (SPP) to eligible existing shareholders on 23 August 2021. Both capital raising initiatives were offered on the same terms with a total of 11,878,205 new shares issued at $1.55 per share including 9,677,420 shares under the Placement and 2,200,785 shares under the SPP. Additionally, one free quoted option was offered for every two shares issued, resulting in 5,909,965 options issued that are exercisable at $2.32 up until the expiry date of 24 August 2023. The funds raised from the placement and SPP are to primarily be used for development and commercialisation of SubB2M tests for ovarian and breast cancers, commercialisation of EXO-NET products, working capital and costs associated with the Offers.

Appointment of new CSO

On 16 September 2021, BARD1 announced the appointment of leading medical researcher Dr Greg Rice as Chief Scientific Officer (CSO), effective 20 September 2021.

Dr Greg Rice PhD, BSc (Hon), MHA, Grad Dip Mgt has over 30 years' 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 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 (CCD), he implemented 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 and more recently CEO of Pregnostica SpA.

Annual General Meeting

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

Company name change

On 8 December 2021, following shareholder approval at its AGM, the Company's name changed from BARD1 to INOVIQ Ltd (INOVIQ) and the ASX listing code changed from ASX:BD1 to ASX:IIQ. The change of company name to INOVIQ, which stands for *intelligent innovation*, better reflects the strategic vision, broader intellectual property assets and expanded product portfolio of the Company since its acquisition of Sienna Cancer Diagnostics Ltd in July 2020. The new INOVIQ name is aligned with the Company's focus on commercialising *innovative* diagnostic and exosome-based products for the *intelligent* diagnosis and treatment of cancer and other diseases.

Legal proceedings

The Walker and Irminger legal proceedings against the Company remain before the Supreme Court of Victoria. The plaintiffs (both founding shareholders) allege that BARD1 breached various implied contractual obligations in the share sale agreements under which BARD1 acquired BARD1AG SA connected with the conversion of performance shares to the Plaintiffs. The discovery process is substantially completed and the Company continues to defend the matter. No further comments can be made in relation to the proceedings at this time.

OPERATING RESULTS

INOVIQ reported a net loss of $2,673,076 for the half-year ($3,249,893 for the half-year ended 31 December 2020). The Group ended the reporting period with a cash balance of $18,560,547 (30 June 2021: $4,998,564), following the receipt of proceeds from the capital raising initiatives conducted during July and August 2021. Cash operating expenditures remained steady at $3,700,413 (2020: $3,673,574).

Revenue

A total of $1,046,074 for the refund of the Research and Development Tax Incentive was recognised at 31 December 2021, being an estimate of the claim for the 2021 financial year and the six month period to 31 December 2021. Product revenues from the sale of hTERT reduced to $64,563 from $148,150 recorded in the comparative period, with the continuing pandemic reducing routine pathology testing. Grant income received via MTP Connect's Biomedical Translation Bridge (BTB) program contributed $26,765, supporting the development of SubB2M-based tests for breast cancer. The comparative period grant income comprised $123,500 from the federal government's Cash Flow Boost and Jobkeeper programs, $25,000 in COVID-19 support payments from the Victorian government, and $10,979 from the BTB grant program.

Operating Expenditure

General and administration expenditure for the reporting period totalled $2,787,859 (2020: $1,767,729), with the increase in expenditure largely the result of the non-cash amortisation for the hTERT and Molecular Nets assets acquired in the merger with Sienna Cancer Diagnostics Ltd in July 2020 ($843,312). No amortisation expense was recorded in the reporting period to 31 December 2020 as the Group elected to complete the valuation of assets acquired in the merger for the full year financial report as allowed by the Corporations Act 2001.

Research and development expenditure progressing the Company's key technology programs, including direct expenditure on R&D employees, for the period was $1,372,995 (2020: $1,319,005).

Sales and marketing expenditure for the six months to 31 December 2021 was $239,533 (2020: $466,495). The prior period included the salaries of two marketing staff members who have left the Group.

INHERENT RISKS OF INVESTMENT IN BIOTECHNOLOGY COMPANIES

There are many inherent risks associated with the development of medical devices including diagnostics to a marketable stage. The clinical development and regulatory processes are designed to evaluate the safety and effectiveness of a medical device prior to marketing approval and commercialisation, and a significant proportion of medical devices fail one or both of these criteria. Other risks include uncertainty of patent protection and other proprietary rights, whether patent applications and issued patents will offer adequate protection against new entrants with competing technologies, the obtaining of necessary regulatory authority approvals and difficulties caused by the rapid advancements in technology.

Companies such as INOVIQ are dependent on the success of their research 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.

FORWARD-LOOKING STATEMENTS

This Half Year Financial Report contains forward-looking statements regarding the Company's business and the technical and commercial potential of its technologies, pipeline products and in-market products. 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 must 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 Half Year Financial 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 this report and 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 BALANCE DATE

The following announcements were made via the ASX announcement platform post period end:

- INOVIQ announced that it had been awarded additional funding of $89,331 under MTP Connect's Biomedical Translation Bridge (BTB) program, taking the total grant to $461,985. This funding will be directed toward a project to develop proprietary monoclonal antibodies for use in SubB2M immunoassays for cancer detection.
- US patent 11,193,944 titled 'Kits for detecting breast or ovarian cancer in a body fluid sample and use thereof' was issued by the United States Patent and Trademark Office (USPTO). The patent is a continuation of US patent 10,018,639

with additional claims directed towards a method for detecting BARD1 autoantibodies associated with breast or ovarian cancer in body fluids and related assays, kits, and peptides.

- Brazilian Patent 112013003506 titled 'BARD1 isoforms in lung and colorectal cancer and use thereof' was issued by the National Institute of Industrial Property (INPI). The patent has claims directed towards the sequence of various BARD1 isoforms specific to lung and colorectal cancer, a method for detecting the presence of the specific BARD1 isoforms, and a method for discriminating lung cancer and colorectal cancer in body fluids.

No other matter or circumstance has arisen since 31 December 2021 that has significantly affected or may significantly affect:

(a) the Group's operations in future years; or
(b) the results of those operations in future years; or
(c) the Group's state of affairs in future years.

AUDITOR'S INDEPENDENCE DECLARATION

The Auditor's Independence Declaration is set out on Page 10 and forms part of the Director's Report for the half year ended 31 December 2021.

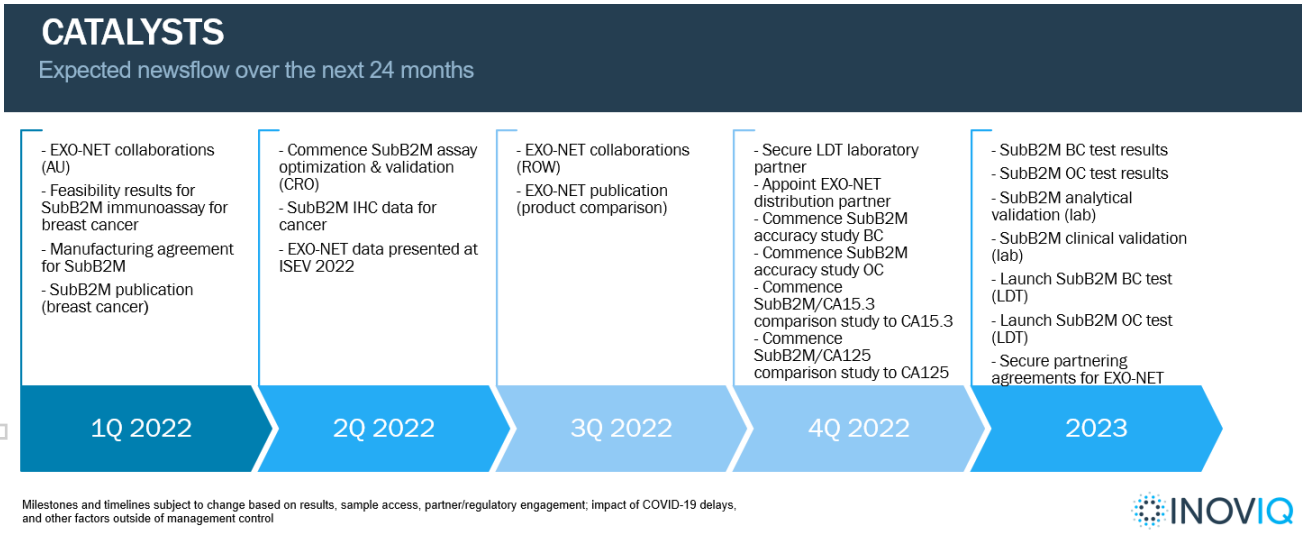
OUTLOOK AND PLANS

INOVIQ is driving intelligent innovation in the diagnostic and exosome markets to improve health outcomes for patients with cancer and other diseases. The Company's proprietary SubB2M, NETs, BARD1 and hTERT technologies have applications in the earlier detection, diagnosis, prognosis and monitoring of cancer and other diseases to improve patient outcomes and save lives.

INOVIQ is using its unique biomarker isolation and detection technologies and a multiomics approach to develop liquid biopsy tests for earlier and more accurate detection of cancer and other diseases. The Company has unique technologies, marketed products and a strong development pipeline of non-invasive diagnostic tests that will make a real difference to patient health outcomes in critical areas of unmet medical need for breast, ovarian, prostate and other cancers.

INOVIQ is strengthening its team across exosome science, clinical development and business development/licensing, as well as investing in state-of-the art equipment and electronic quality management systems to build capacity and enable it to advance product development towards key milestones, expand applications for its proprietary technologies (other diseases), and deliver solutions for better patient outcomes.

The table below provides a summary of INOVIQ's expected key milestones across its development programs over the next 24 months.



INOVIQ thanks shareholders for their ongoing support. The Company is strongly positioned with the funding, talent and focus to advance our multi-product diagnostics pipeline towards key development and commercialisation milestones over the next 2 years.

Signed in accordance with a resolution of the Directors.

Dr Geoffrey James Cumming
Non-Executive Chairman

25 February 2022

DIRECTORS' DECLARATION

In the opinion of the Directors:

(a) The financial statements and notes of the Group are in accordance with the Corporations Act 2001, including:

(i) giving a true and fair view of financial position of the Group as at 31 December 2021 and the performance for the half year ended on that date; and

(ii) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the Corporations Regulations 2001; and

(b) There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

Dr Geoffrey James Cumming
Non-Executive Chairman

25 February 2022

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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 review of INOVIQ Limited for the half-year ended 31 December 2021, 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 review; and

b no contraventions of any applicable code of professional conduct in relation to the review.

Grant Thornton Audit Pty Ltd
Chartered Accountants

M A Cunningham
Partner – Audit & Assurance

Melbourne, 25 February 2022

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE HALF YEAR ENDED 31 DECEMBER 2021

	NOTE	For the six months ended 31 December 2021 $	For the six months ended 31 December 2020* $
REVENUE AND COST OF SALES FROM ORDINARY ACTIVITIES			
Product Revenue		67,411	148,150
Cost of Sales		(16,138)	(37,967)
GROSS PROFIT		51,273	110,183
OTHER INCOME			
Research and Development Tax Incentive Refund		1,046,074	-
Grant Income		26,765	159,479
Interest and Miscellaneous Income		17,817	33,674
TOTAL OTHER INCOME		1,090,656	193,153
OPERATING EXPENDITURES			
General and Administration		(2,787,859)	(1,767,729)
Research and Development		(1,372,995)	(1,319,005)
Sales and Marketing		(239,533)	(466,495)
TOTAL OPERATING EXPENDITURES		(4,400,387)	(3,553,229)
LOSS BEFORE INCOME TAX		(3,258,458)	(3,249,893)
Income tax credit		585,382	-
NET LOSS FOR THE HALF-YEAR		**(2,673,076)**	**(3,249,893)**
OTHER COMPREHENSIVE INCOME			
Exchange differences on translation of foreign operations		57,522	(52,241)
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD ATTRIBUTABLE TO THE MEMBERS OF INOVIQ LIMITED		**(2,615,554)**	**(3,302,134)**
Basic and diluted loss per share (cents per share), for the half-year attributable to members of INOVIQ Limited	8	(0.03)	(0.04)

* The group has reclassified certain expenditure items in the comparative period in order to be consistent with the current year classification and presentation.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2021

	NOTE	31 December 2021 $	30 June 2021 $
CURRENT ASSETS			
Cash and cash equivalents		18,560,547	4,998,564
Trade and other receivables		1,201,099	219,567
Inventories		55,890	47,503
Prepayments		440,493	382,891
TOTAL CURRENT ASSETS		**20,258,029**	**5,648,525**
NON-CURRENT ASSETS			
Building improvements, plant, and equipment		615,387	585,344
Intangible assets		14,297,540	15,115,462
Right-of-use assets		1,003,554	1,141,809
Goodwill	9	11,030,560	11,030,560
TOTAL NON-CURRENT ASSETS		**26,947,041**	**27,873,175**
TOTAL ASSETS		**47,205,070**	**33,521,700**
CURRENT LIABILITIES			
Trade and other payables		482,761	762,142
Provisions		378,423	350,362
Lease liability		351,973	346,634
TOTAL CURRENT LIABILITIES		**1,213,157**	**1,459,138**
NON-CURRENT LIABILITIES			
Lease liability		783,012	917,503
Provisions		41,778	29,816
Deferred tax liability		1,473,053	2,058,513
TOTAL NON-CURRENT LIABILITIES		**2,297,843**	**3,005,832**
TOTAL LIABILITIES		**3,511,000**	**4,464,970**
NET ASSETS		**43,694,070**	**29,056,730**
EQUITY			
Issued Capital	10	69,081,366	51,832,009
Distribution reserve		(309,421)	(309,421)
Share based payment reserve		1,460,689	1,511,691
Foreign exchange translation reserve		34,693	(22,829)
Accumulated losses		(26,573,257)	(23,954,720)
TOTAL EQUITY		**43,694,070**	**29,056,730**

CONSOLIDATED STATEMENT OF CASH FLOW FOR THE HALF YEAR ENDED 31 DECEMBER 2021

	For the six months ended 31 December 2021 $	For the six months ended 31 December 2020 $
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from product income	221,085	229,202
Payments to suppliers and employees	(3,700,413)	(3,673,574)
Interest received	12,012	29,657
Grant and other income	26,765	148,500
Net cash used in operating activities	**(3,440,551)**	**(3,266,215)**
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of intangibles	-	(95,911)
Purchase of property, plant, and equipment	(76,752)	(326,640)
Net cash acquired from Sienna Cancer Diagnostics	-	3,764,434
Net cash (used in)/from investing activities	**(76,752)**	**3,341,883**
CASH FLOWS FROM FINANCING ACTIVITIES		
Payment of lease liabilities	(172,438)	(138,482)
Proceeds from issue of shares	18,461,717	-
Payment of share issue costs	(1,212,360)	-
Net cash from/(used in) financing activities	**17,076,919**	**(138,482)**
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	13,559,616	(62,814)
Cash and cash equivalents at the beginning of the period	4,998,564	7,326,861
Effects of exchange rate changes on balance of cash held in foreign currencies	2,367	(5,639)
Cash and cash equivalents at the end of the period	**18,560,547**	**7,258,408**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the half year ended 31 December 2021

	Issued Capital $	Accumulated Losses $	Distribution Reserve $	Foreign Currency Translation Reserve $	Share Based Payment Reserve $	Total Equity $
Balance at beginning of period	51,832,009	(23,954,720)	(309,421)	(22,829)	1,511,691	29,056,730
Loss for the period	-	(2,673,076)	-	-	-	(2,673,076)
Other comprehensive income	-	-	-	57,522	-	57,522
Total comprehensive loss for the period	-	(2,673,076)	-	57,522	-	(2,615,554)
Issue of shares	18,461,717	-	-	-	-	18,461,717
Less: share issue costs	(1,212,360)	-	-	-	-	(1,212,360)
Share based payments for the period	-	-	-	-	74,400	74,400
Value of options that did not meet vesting conditions	-	-	-	-	(70,863)	(70,863)
Value of options that were exercised	-	54,539	-	-	(54,539)	-
Balance at End of Period	**69,081,366**	**(26,573,257)**	**(309,421)**	**34,693**	**1,460,689**	**43,694,070**

For the half year ended 31 December 2020

	Issued Capital $	Accumulated Losses $	Distribution Reserve $	Foreign Currency Translation Reserve $	Share Based Payment Reserve $	Total Equity $
Balance at beginning of period	19,286,885	(12,828,179)	(309,421)	(62,905)	388,734	6,475,114
Loss for the period	-	(3,249,893)	-	-	-	(3,249,893)
Other comprehensive income	-	-	-	(52,241)	-	(52,241)
Total comprehensive loss for the period	-	(3,249,893)	-	(52,241)	-	(3,302,134)
Issue of shares	34,929,743	-	-	-	-	34,929,743
Less: share issue costs	-	-	-	-	-	-
Share based payments for the period	-	-	-	-	138,245	138,245
Value of options issued to Sienna option holders	-	-	-	-	461,899	461,899
Balance at End of Period	**54,216,628**	**(16,078,072)**	**(309,421**	**(115,146)**	**988,878**	**38,702,867**

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1: CORPORATE INFORMATION AND NATURE OF OPERATIONS

The financial report of INOVIQ Limited for the half year ended 31 December 2021 was authorised for issue in accordance with a resolution of the Directors on 25 February 2022.

INOVIQ is developing and commercialising an innovative portfolio of diagnostic and exosome-based products to improve the diagnosis and treatment of cancer and other diseases.

INOVIQ Limited is a company limited by shares that is incorporated and domiciled in Australia and whose shares are publicly listed on the Australian Securities Exchange. The registered address is 23 Normanby Road, Notting Hill VIC 3168.

NOTE 2: BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE WITH IFRS

The Interim Financial Statements are for the six months ended 31 December 2021 and are presented in Australian dollars (AUD), which is the functional currency of the parent company.

This general purpose condensed financial report for the half year ended 31 December 2021 has been prepared in accordance with AASB 134 Interim Financial Reporting and the Corporations Act 2001. The half year report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the full financial report. It is recommended that the half year financial report be read in conjunction with the annual report for the period ended 30 June 2021 and considered together with any public announcements made by INOVIQ Limited during the half year ended 31 December 2021 in accordance with the continuous disclosure obligations of the ASX listing rules.

NOTE 3: SIGNIFICANT ACCOUNTING POLICIES

The Interim Financial Statements have been prepared in accordance with the accounting policies adopted in the Group's most recent annual financial statements for the year ended 30 June 2021.

NOTE 4: NEW STANDARDS ADOPTED AT 1 JANUARY 2021

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

NOTE 5: ESTIMATES AND JUDGEMENTS

When preparing the Interim Financial Statements, management undertakes a number of judgements, estimates and assumptions about recognition and measurement of assets, liabilities, income, and expenses. The actual results may differ from the judgements, estimates and assumptions made by management, and will seldom equal the estimated results.

The judgements, estimates and assumptions applied in the Interim Financial Statements, including the key sources of estimation uncertainty, were the same as those applied in the Group's last annual financial statements for the year ended 30 June 2021.

NOTE 6: SIGNIFICANT EVENTS AND TRANSACTIONS

Impact of COVID-19

The global COVID-19 pandemic, declared by the World Health Organisation in March 2020, has negatively impacted many businesses and economic activity. To contain the spread of the virus, governments around the world have implemented measures to restrict close human contact, including restrictions that reduce the number of employees able to attend the workplace. Using guidelines provided by the Victorian state government, a COVID safe plan was developed for operations at the Group's head office in Melbourne. Employees that can work from home were directed to work from home when required. Employees involved in essential laboratory-based research, technical support and quality assurance activities were provided permits to continue to work from the office. Over the period of the impact from the COVID-19 pandemic the Group incurred lower travel expenditures due to restrictions on national and international travel.

R&D programs advanced during the reporting period however some delays to expected R&D timelines were experienced. Delays affecting logistics for incoming goods and external contractors dealing with their own pandemic related issues slowed receipt of materials, patient samples, laboratory consumables, equipment, and delivery of contract milestones. Given many of these COVID-19 impacts are ongoing INOVIQ will continue to manage the advancement of its R&D programs as efficiently and effectively as possible.

The progress of the Company's commercial initiatives for EXO-NET and hTERT continued during the reporting period. The ongoing COVID-19 pandemic, including the emergence of the Omicron variant, has continued to reduce routine pathology testing. Our US distributor for hTERT, StatLab, placed multiple orders in the lead up to the end of the financial year in anticipation of an uplift in sales during the half-year to December 2021. However, hTERT sales remained flat due to the continuing COVID-19 epidemic, resulting in existing US laboratory customers being supplied from StatLab inventory. The pandemic continues to hamper the Company's ability to conduct on-site visits to potential and existing customers for business development, sales, and technical support of the Group's hTERT product in its key US market, as well as in Europe and Asia.

NOTE 7: SHARE BASED PAYMENTS

	For the six months ended 31 Dec 2021 $	For the six months ended 31 Dec 2020 $
Share based payment transactions recognised as operating expenses in the statement of comprehensive income during the financial periods were as follows:		
Option grant expense for options issued during the year (i)	74,400	138,245
Reversal of option grant expense (ii)	(70,863)	-
	3,537	**138,245**

The value of options issued during the reporting periods have been calculated using a modified binomial or a Monte Carlo option pricing model.

(i) Options grant expense for options issued during the year

During the 6 months to 31 December 2021 a total of 2,050,000 options were issued under the Company's Incentive Option Plan (IOP). Directors were granted 500,000 options each, in two equal tranches, at the 2021 annual general meeting. The first tranche is exercisable at $2.32 and the second at $3.00. A further 50,000 options were issued to Chief Scientific Officer (CSO), Dr Peter French, in recognition of his services to INOVIQ. Peter resigned from the position of CSO on 17 August 2021, moving to a part-time consulting role with the Company.

In the comparison period, per the terms of the Merger Implementation Agreement with Sienna Cancer Diagnostics Ltd, INOVIQ issued 37,795,332 (1,259,844 following a consolidation of securities approved by shareholders at the Company's 2020 annual general meeting, on the basis of 1 security for every 30 securities held) options to the employees and holders of Sienna Cancer Diagnostics Limited options.

(ii) Reversal of option grant expense

The amount recorded as a credit to share options expense for the reporting period represents those employee options that did not meet vesting conditions. The amount was reported in the prior period as a share options expense.

NOTE 8: LOSS PER SHARE

The following reflects the income and share data used in the calculations or basic and diluted loss per share:	For the six months ended 31 Dec 2021 $	For the six months ended 31 Dec 2020 $
Loss used in calculating basic and diluted earnings per share	(2,673,076)	(3,249,893)
Weighted average number of ordinary shares used in calculating basic loss per share	84,926,098	74,606,507*
Basic and diluted loss per share (cents)	(0.03)	(0.04)

Calculation of diluted loss per share – potential ordinary shares are considered to be antidilutive, therefore diluted loss per share is equivalent to the basic loss per share.
* Calculation is based on the 1 for 30 shares held consolidation approved by shareholders at the 2020 AGM.

NOTE 9: GOODWILL

	31 Dec 2021 $	30 June 2021 $
Goodwill on acquisition of Sienna	13,919,779	13,919,779
Accumulated impairment	(2,889,219)	(2,889,219)
	11,030,560	**11,030,560**

NOTE 10: ISSUED CAPITAL

	31 Dec 2021 $	30 June 2021 $
Issued capital	69,081,366	51,832,009
	69,081,366	**51,832,009**

	For the six months ended 31 December 2021		For the year ended 30 June 2021	
	Number of Shares	$	Number of Shares	$
At beginning of period	80,056,715	51,832,009	1,367,185,026	19,286,885
Issue of placement shares*	9,677,420	15,000,000	-	-
Issue of shares per Share Purchase Plan (SPP)*	2,200,785	3,411,450	-	-
Issue of shares to Performance Share Holders	4	-		
Issue of shares to Sienna shareholders	-	-	1,027,345,358	32,258,645
Share Consolidation – 1 for 30 securities held	-	-	(2,314,712,612)	-
Issue of shares on conversion of options	83,778	50,267	238,943	286,479
Less: transaction costs	-	(1,212,360)	-	-
At the end of the period	**92,018,702**	**69,081,366**	**80,056,715**	**51,832,009**

* Investors and shareholders who participated in the share placement and SPP were issued with one free ASX quoted option for every two ordinary shares acquired. The exercise price of each option is $2.32; the options expire at 5.00pm (Melbourne time) on 24 August 2023. A total of 5,909,965 options were issued.

NOTE 11: 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 (operations in Geneva, Switzerland ceased in February 2021).

NOTE 12: SIGNIFICANT EVENTS AFTER BALANCE DATE

The following announcements were made via the ASX announcement platform post period end:

- INOVIQ announced that it had been awarded additional funding of $89,331 under MTP Connect's Biomedical Translation Bridge (BTB) program, taking the total grant to $461,985. This funding will be directed toward a project to develop proprietary monoclonal antibodies for use in SubB2M immunoassays for cancer detection.
- US patent 11,193,944 titled 'Kits for detecting breast or ovarian cancer in a body fluid sample and use thereof' was issued by the United States Patent and Trademark Office (USPTO). The patent is a continuation of US patent 10,018,639 with additional claims directed towards a method for detecting BARD1 autoantibodies associated with breast or ovarian cancer in body fluids and related assays, kits, and peptides.
- Brazilian Patent 112013003506 titled 'BARD1 isoforms in lung and colorectal cancer and use thereof' was issued by the National Institute of Industrial Property (INPI). The patent has claims directed towards the sequence of various BARD1 isoforms specific to lung and colorectal cancer, a method for detecting the presence of the specific BARD1 isoforms, and a method for discriminating lung cancer and colorectal cancer in body fluids.

No other matter or circumstance has arisen since 31 December 2021 that has significantly affected or may significantly affect:

a) the Group's operations in future years; or
b) the results of those operations in future years; or
c) the Group's state of affairs in future years.

NOTE 13: CONTINGENT LIABILITIES

The Group has the following contingent liabilities at 31 December 2021:

- The Walker and Irminger legal proceedings against the Company remain before the Supreme Court of Victoria. The plaintiffs (both founding shareholders) allege that BARD1 breached various implied contractual obligations in the share sale agreements under which BARD1 acquired BARD1AG SA connected with the conversion of performance shares to the Plaintiffs. The discovery process is substantially completed and the Company continues to defend the matter. No further comments can be made in relation to the proceedings at this time;
- 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 its SIEN-NET molecular 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 SIEN-NET product revenue milestones;
- INOVIQ has guaranteed the payment of a royalty by Saulyak Limited Liability Company, based on gold output from the Saulyak Gold Project which was disposed of by the Company on 10 July 2007. The royalty is up to 2% net smelter royalty per ounce of gold produced from the Saulyak Gold Project, payable only in respect of ounces of gold produced over 750,000 ounces in total. Gold production from the Saulyak Gold Project has not yet commenced with the current owners of the project yet to secure a mining licence. At the time of the sale of the project by the Company total reserves identified at the project were not in excess of 750,000 ounces;
- INOVIQ 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.

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Independent Auditor's Review Report

To the Members of INOVIQ Limited

Report on the review of the half-year financial report

Conclusion

We have reviewed the accompanying half-year financial report of INOVIQ Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2021, and the consolidated statement of other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, a description of accounting policies, other selected explanatory notes, and the directors' declaration.

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

(a) giving a true and fair view of the Group's financial position as at 31 December 2021 and of its performance for the half-year ended on that date; and

(b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001.*

Basis for Conclusion

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

Directors' responsibility for the half-year financial report

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

Auditor's responsibilities for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2021 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

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

Grant Thornton Audit Pty Ltd
Chartered Accountants

M A Cunningham
Partner – Audit & Assurance

Melbourne, 25 February 2022