Appendix 4D

For the Half Year ended 31 December 2022

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 2022

Comparative period is the half year ended 31 December 2021

Results for announcement to the market

	31 Dec 2022	31 Dec 2021	Change	Change
	$	$	$	%
Revenue from ordinary activities	164,390	67,411	96,979	144%
Other income	591,736	1,090,656	(498,920)	(46%)
Net loss (after tax) for the half year	(5,586,561)	(2,673,076)	(2,913,485)	109%
Total comprehensive loss for the period attributable to members	(5,752,592)	(2,615,554)	(3,137,038)	120%

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.

Entities over which control was lost

During the current period as part of the no admission of liability settlement of a legal matter, INOVIQ Limited transferred to the plaintiffs, its 100% shareholding in BARD1AG SA, a wholly owned Switzerland based subsidiary. Control of this entity was transferred on the 19 December 2022 and resulted in a loss on deconsolidation of $124,764. Additional detail regarding the matter and settlement is included in the attached Financial Report.

Net tangible asset backing per ordinary share

	31 Dec 22 cents	30 June 22 cents
Net tangible asset backing per ordinary share	12.0	17.1

Other disclosures and financial information

For other Appendix 4D disclosures, refer to the Half-year Financial Report for the period ended 31 December 2022 attached.

Signed:

Dr Geoffrey Cumming
Chairman

Melbourne

Date: 24 February 2023

INOVIQ LIMITED (ASX:IIQ)

ABN 58 009 070 384

FINANCIAL REPORT

FOR THE HALF YEAR ENDED 31 DECEMBER 2022

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 2022.

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 (resigned 13 December 2022)

Chief Executive Officer

Dr Leearne Maree Hinch

Chief Financial Officer & Company Secretary

Tony Di Pietro (until 2 November 2022)
Mark Edwards (commenced 2 November 2022)

Chief Scientific Officer

Dr Gregory Edward Rice

RESULTS OF OPERATIONS

The Group reported a net loss of $5,586,561 for the half-year ended 31 December 2022 (net loss for the half-year ended 31 December 2021: $2,673,076).

PRINCIPAL ACTIVITIES

INOVIQ (ASX:IIQ) is developing and commercialising next-generation exosome capture tools and precision diagnostics to improve the diagnosis and treatment of cancer and other diseases. The Company has commercialised the EXO-NET® pan-exosome capture tool for research purposes and the hTERT test as an adjunct to urine cytology testing for bladder cancer and for use in exosome research. INOVIQ's cancer diagnostic pipeline includes blood tests in development for the earlier detection and monitoring of ovarian, breast and other cancers.

HIGHLIGHTS

INOVIQ made substantial progress during the half-year to 31 December 2022, and up to the date of this report. The Company continued to advance its innovative exosome-based and diagnostic products and pipeline towards key development and commercialisation milestones including:

Commercial

- **EXO-NET sales campaign commenced** in the USA
- **Direct sales model established for hTERT** in the USA
- **U.S. patents were granted for SubB2M and hTERT technologies**

Research & Development

- **Contract Research Agreement signed with Nicoya** to develop SubB2M-based Surface Plasmon Resonance (SPR) test on the Alto™ Digital SPR instrument
- **Commenced BC95 clinical study to evaluate SubB2M-CA15.3 assay** at ResearchDx, with initial data showing discrimination of both early and late-stage breast cancer from healthy controls
- **SubB2M immunohistochemistry (IHC) research study detected melanoma with 91% sensitivity**
- **EXO-NET® feasibility study by University of Queensland** confirms utility of EXO-NET for isolating Extracellular Vesicle (EV) biomarkers and development of an EV-based ovarian cancer screening test

Corporate

- **Settled legal proceedings** related to BARD1 performance shares
- **EXO-NET R&D and manufacturing** centralised to upgraded Melbourne laboratory; to streamlining R&D activities and enabling expanded production capacity
- **Mr Mark Edwards appointed as CFO** & Company Secretary
- **Vale Professor Emeritus Allan Cripps AO**

Financial

- **Cash of $11.9 million** at 31 December 2022 to fund operations and pipeline development
- **Net loss of $5.6 million** for the half-year ended 31 December 2022 (Increased loss in the current period driven by legal fees and subsequent legal settlement costs as outlined in the Operating Results commentary below).

REVIEW OF OPERATIONS

Commercial activities during the period focused on establishing an EXO-NET sales team and marketing campaign in the US and restructuring the US hTERT operation to a 'direct-to-customer' model.

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 as an adjunct to urine cytology to help resolve indeterminate cytology results and identify patients with increased risk of bladder cancer.

INOVIQ announced (23 November 2022) it would revert to a direct distribution model for the hTERT test in the US from January 2023, selling hTERT directly to laboratory customers. This is expected to enable a more cost effective and reliable service to laboratory customers, while improving product revenues and gross margins.

The agreement between INOVIQ and US-based contract sales organisation, Percorso Life Sciences was extended to see Percorso provide warehousing and logistics services to deliver hTERT direct to INOVIQ's US customers. A final hTERT order was received from the previous distributor, StatLab in December 2022, and the first two direct customer orders were received in January 2023.

EXO-NET® RUO pan-exosome capture tool

EXO-NET RUO is a pan-exosome capture tool for the isolation of exosomes from body fluids including plasma, urine and saliva. EXO-NET offers speed, purity and yield advantages over existing exosome isolation products for biomarker discovery and diagnostic applications.

INOVIQ announced (21 July 2022) that it had engaged Percorso Life Sciences to provide US-based contract sales and logistics services for its products. During the December quarter, the US contract sales team implemented its first EXO-NET sales and marketing campaign, targeting over 1,000 researchers involved in extracellular vesicle (EV) research. There was strong initial interest from potential customers in using EXO-NET for multiple EV-based applications and this interest is now being followed up with meetings. The campaign is expected to deliver US-based EXO-NET revenue in the first half of calendar year 2023.

To further drive sales and provide technical support to US customers and the contract sales team, an experienced Field Application Specialist commenced with the Company on 9 January 2023. The specialist has a large academic and industry network and is already initiating calls to secure future sales of EXO-NET® RUO[1] Exosome Capture tools. The specialist will be attending a major research meeting in Texas in March which will be attended by academia and research institutes.

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 22 granted patents, 11 patents pending and two international provisional patent applications as at 31 December 2022, covering its SubB2M, Molecular NET, BARD1, and hTERT technologies and products across key jurisdictions including the United States, Europe, Asia, and Australia.

INOVIQ announced the grant of two U.S. patents during the reporting period, one for the SubB2M technology and the other for hTERT.

- Patent no. 11371033 entitled 'Subtilase cytotoxin B subunit mutant' was issued by the United States Patent and Trademark Office, enforcing intellectual property protection in the USA for the SubB2M technology until the date of expiry in 2038. This patent provides intellectual property protection in the key US market where the SubB2M tests are planned to be first commercialised.
- Patent no. 11391738 entitled 'Method of detecting cancer', a continuation of US patent 10,338,072, was issued by the United States Patent and Trademark Office, providing additional coverage for our hTERT assay for telomerase-based detection of cancers other than bladder cancer (such as thyroid and breast cancer) until 2035.

RESEARCH AND DEVELOPMENT (R&D) PROGRESS

The Group made strong progress during the reporting period, progressing R&D projects within its diagnostic pipeline towards key technical and development milestones and advancing its exosome-based ovarian cancer screening test with The University of Queensland.

SubB2M program

SubB2M is an engineered protein that specifically detects the pan-cancer biomarker Neu5Gc that is found at elevated levels in multiple human cancers. INOVIQ is developing SubB2M-based tests for multiple uses, including monitoring of breast and ovarian cancers, and for a general health panel.

On 13 October 2022 INOVIQ announced it had signed a contract research agreement with Canadian biotechnology company, Nicoya Lifesciences Inc, to transfer, develop and evaluate a SubB2M-based Surface Plasmon Resonance (SPR) test on Nicoya's Alto™ Digital SPR instrument. Alto is the world's first digital, high-throughput, benchtop SPR instrument.

[1] RUO = Research Use Only

It has revolutionised SPR sample analysis by using digital microfluidics and nanotechnology biosensors that are integrated into a disposable microwell plate, making it compatible for high throughput diagnostics in a clinical laboratory.

The SubB2M-based SPR test measures Neu5Gc. Increased Neu5Gc levels in the blood may provide an early warning that an individual requires follow-up investigation for the presence of cancer such as breast, ovarian, prostate, melanoma and others. The SubB2M-based SPR test will initially be developed as a cancer risk assessment test for potential inclusion in a general health panel.

The initial work program under the agreement to demonstrate effective discrimination between cancer and cancer-free blood samples on the Alto instrument progressed during the quarter and is on-track for completion by end May 2023.

INOVIQ also reported progress on its SubB2M-CA15.3 assay development program. CA15-3 test is a blood test commonly used to monitor breast cancer treatment response and to disease recurrence. INOVIQ is using SubB2M to enhance existing CA15.3 tumour marker tests by potentially improving sensitivity and specificity. Interim data from a 95-sample study (called BC95) to evaluate the performance of SubB2M-CA15.3 by cancer stage indicated that both early- and late-stage breast cancer samples were discriminated from cancer-free (controls) samples. The next steps are to establish reproducibility of the assay and accuracy in a larger cross-sectional study, followed by a longitudinal breast cancer study.

Positive results from SubB2M immunohistochemistry study demonstrating 91% sensitivity for detection of melanoma and ability to distinguish malignant melanoma from benign lesions. INOVIQ to seek partners to sublicence the further development and commercialisation of SubB2M IHC tissue-based tests.

EXO-NET program

Exosomes are small extracellular vesicles (EVs) released by cells and contain DNA, RNAs, proteins and lipids. Exosomal biomarkers have important applications in the research, diagnosis, and treatment of cancer, cardiometabolic, inflammatory, neurodegenerative, and other diseases. EXO-NET is INOVIQ's proprietary multi-layered matrix of capture antibodies, coated onto magnetic beads to enable the efficient isolation of exosomes with speed, yield and purity advantages.

On 13 December 2022 INOVIQ announced that the Ovarian Cancer 97 study (OC97) had been completed by the University of Queensland's Centre for Clinical Research, . The results confirmed the utility of EXO-NET for EV biomarker discovery and development of an EV-based ovarian cancer screening test with over 90% accuracy for the detection of early-stage ovarian cancer.

This was the first milestone achieved under the collaboration with The University of Queensland to develop a world-first EV ovarian cancer screening test. The next step is an analytical validation study (OC250) to establish equivalence of the EV-based ovarian cancer test in plasma compared to serum from the same cohort of patients. If substantial equivalence between serum and plasma is established, it will facilitate access to the world's largest ovarian cancer serum biobank. This will be critically important for future clinical studies. INOVIQ holds the exclusive Option to license rights to the development and commercialisation of the EV-based ovarian cancer test in development to improve women's health outcomes and help save lives.

INOVIQ's Melbourne laboratory was upgraded to an exosome core facility to enable high-throughput sample processing, exosome isolation, characterisation and downstream analysis to provide a turn-key biomarker discovery-to-diagnostic solution for INOVIQ's internal and partnered EV-based R&D programs.

EXO-NET research, development and manufacturing was centralised from INOVIQ's US site to its upgraded Melbourne laboratory during the period to enable streamlined R&D activities, expanded production capacity and to increase access to the Australian Government's Research and Development Tax Incentive scheme.

BARD1 program

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

The BARD1 diagnostic program remains on hold as INOVIQ focuses its resources on advancing development of its promising exosome diagnostic and SubB2M diagnostic programs towards key milestones. BARD1 biomarkers may be included in biomarker panels of future pipeline products where they are shown to be informative of disease status.

CORPORATE UPDATES

Legal Settlement

The Walker and Irminger legal proceeding against the Company was agreed to be fully and finally settled on 28 November 2022, with no admission of liability. Under the terms of the settlement the plaintiffs received the BARD1 Lung Cancer Test (LCT) intellectual property (IP) and a lump-sum payment of A$1 million (inclusive of GST) that included an obligation to commit $300,000 to the development of the LCT. INOVIQ has retained the Breast and Ovarian Cancer IP and will receive 10% of future sales of any BARD1 LCT until the expiry of relevant patents, and 5% thereafter. The settlement avoided the costs, inconvenience and uncertainty of litigation, and allowed the proceeding to be dismissed with no costs ordered.

The Intellectual Property associated with the BARD1 Lung Cancer Test was housed within the Group's wholly owned Swiss subsidiary, BARD1AG SA, the control of which was given up when the shares were transferred to the plaintiffs as part of the settlement during the current period.

Appointment of new CFO

On 6 October 2022, it was announced that Mark Edwards, would join INOVIQ as Chief Financial Officer and Company Secretary, effective 2 November 2022.

Mark Edwards B.Acc., CA is an experienced CFO and Company Secretary with expertise in financial leadership and management, corporate governance, investor relations and corporate transactions. His previous role was 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.

Strengthened capabilities to take advantage of high-growth exosome market

During the half-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.

Annual General Meeting

On 28 November 2022, the Company held its 2022 Annual General Meeting (AGM). All resolutions were carried.

Vale – Prof Allan Cripps

With profound sorrow, INOVIQ reflects on the passing of respected colleague and former Director, Professor Emeritus Allan Cripps AO on 21 December 2022. Prof Cripps served on the INOVIQ board as a Non-Executive Director from 23 January 2020 until 13 December 2022, when he retired due to ill health. Prof Cripps had a distinguished career as a clinical scientist and INOVIQ benefited immensely from his deep experience during his time on the Board.

OPERATING RESULTS

INOVIQ reported a net loss of $5,586,561 for the half-year ($2,673,076 for the half-year ended 31 December 2021). The Group ended the reporting period with a cash balance of $11,925,290 (30 June 2022: $15,394,847). Cash operating expenditures increased to $4,570,507 (2021: $3,700,413), with this largely attributed to increased legal costs. The legal matter has now closed and all associated expenditure has concluded.

Revenue

A total of $374,276 for the refund of the Research and Development Tax Incentive was recognised at 31 December 2022, being an estimate of the claim for the six-month period to 31 December 2022. The higher refund in the prior period can be attributed to it including both the estimate for the FY21 year claim ($776,137) and the provisional claim for the 6 months ended 31 December 2021 ($269,937). Product revenues from the sale of hTERT increased from $64,563 in the comparative period to $158,518.

Operating Expenditure

General and administration expenditure for the reporting period totalled $4,414,950 (2021: $2,787,859), with the increase in expenditure the result of the now concluded legal matter with legal costs and settlements costs specifically related to this matter accounting for $2,217,267 of the current half year's general and administration expenses (comparative period costs related to the matter were $266,051).

Research and development expenditure to progress the Company's key technology programs, including direct expenditure on R&D employees, for the period was $1,626,216 (2021: $1,372,995).

Sales and marketing expenditure for the six months to 31 December 2022 was $277,355 (2021: $239,533).

INHERENT RISKS OF INVESTMENT IN BIOTECHNOLOGY COMPANIES

There are many inherent risks associated with the development and commercialisation 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 on 1 February 2023 that 650,000 options over IIQ shares had been issued to KMP; and
- On 8 February 2023, INOVIQ announced positive results from its SubB2M-enhanced CA.15.3 Breast Cancer test. The SubB2M-enhanced CA15.3 breast cancer test outperformed a leading, commercially available CA15.3 tumour marker test based on data from a 94-serum case-control study. The Group now intends to undertake a larger follow-up study across all-stages of breast cancer and a monitoring study for breast cancer.

No other matter or circumstance has arisen since 31 December 2022 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.

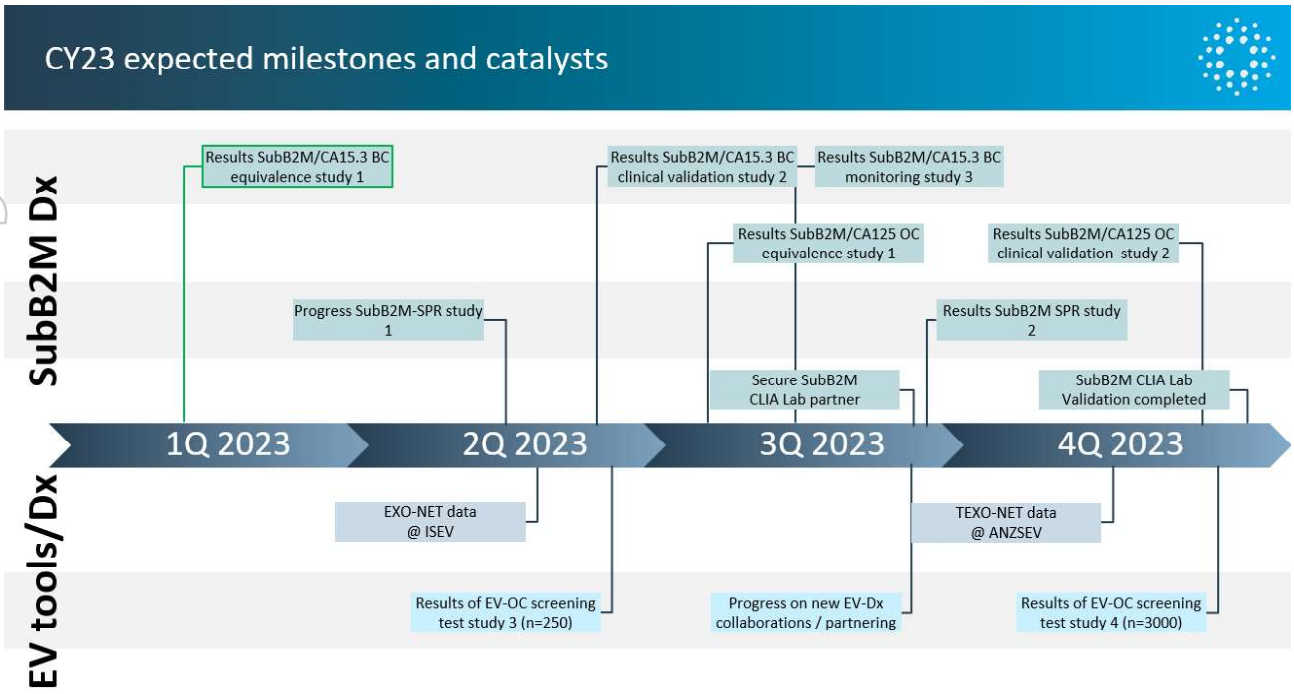
AUDITOR'S INDEPENDENCE DECLARATION

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 2022.

OUTLOOK AND PLANS

INOVIQ remains focused on its vison to be a leading exosome and precision diagnostics company delivering next-generation products to improve patient health outcomes and help save lives. The Company's key objectives to drive shareholder value over the next 12-months are to advance its lead SubB2M diagnostics towards commercialisation, expand its EXO-NET exosome isolation tools, accelerate development of its exosome diagnostic pipeline, and generate revenues through product sales and partnering of its exosome technologies.

The Company expects to report key data readouts for its SubB2M and Exosome diagnostic programs, as well as commercial progress, and looks forward to updating shareholders on these milestones and catalysts over the next 12 months.



INOVIQ thanks shareholders for their ongoing support. The Company is strongly positioned with differentiated technology, a multi-product pipeline, growing partnering interest and an experienced team to execute on strategy, deliver key development / commercial milestones, and grow shareholder value over the next 12 months.

Signed in accordance with a resolution of the Directors.

Dr Geoffrey James Cumming
Non-Executive Chairman

24 February 2023

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 2022 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

24 February 2023

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 review of INOVIQ Limited for the half-year ended 31 December 2022, 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, 24 February 2023

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE HALF YEAR ENDED 31 DECEMBER 2022

	NOTE	For the six months ended 31 December 2022 $	For the six months ended 31 December 2021 $
REVENUE AND COST OF SALES FROM ORDINARY ACTIVITIES			
Product Revenue		164,390	67,411
Cost of Sales		(24,166)	(16,138)
GROSS PROFIT		140,224	51,273
OTHER INCOME			
Research and Development Tax Incentive Refund		374,276	1,046,074
Grant Income		33,530	26,765
Interest and Miscellaneous Income		183,930	17,817
TOTAL OTHER INCOME		591,736	1,090,656
OPERATING EXPENDITURES			
General and Administration		(4,414,950)	(2,787,859)
Research and Development		(1,626,216)	(1,372,995)
Sales and Marketing		(277,355)	(239,533)
TOTAL OPERATING EXPENDITURES		**(6,318,521)**	**(4,400,387)**
LOSS BEFORE INCOME TAX		(5,586,561)	(3,258,458)
Income Tax Credit		-	585,382
NET LOSS FOR THE HALF-YEAR		**(5,586,561)**	**(2,673,076)**
OTHER COMPREHENSIVE INCOME			
Exchange differences on translation of foreign operations		(166,031)	57,522
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD ATTRIBUTABLE TO THE MEMBERS OF INOVIQ LIMITED		**(5,752,592)**	**(2,615,554)**
Basic and diluted loss per share (cents per share), for the half-year attributable to members of INOVIQ Limited	8	(6.07)	(3.15)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2022

	NOTE	31 December 2022 $	30 June 2022 $
CURRENT ASSETS			
Cash and cash equivalents		11,925,290	15,394,847
Trade and other receivables		1,080,477	1,705,853
Inventories		20,692	13,429
Prepayments		304,856	352,656
TOTAL CURRENT ASSETS		**13,331,315**	**17,466,785**
NON-CURRENT ASSETS			
Building improvements, plant, and equipment		798,019	780,307
Intangible assets		11,125,831	11,665,556
Right-of-use assets		728,557	866,811
Goodwill	9	-	-
TOTAL NON-CURRENT ASSETS		**12,652,407**	**13,312,674**
TOTAL ASSETS		**25,983,722**	**30,779,459**
CURRENT LIABILITIES			
Trade and other payables		1,925,337	1,046,251
Provisions		236,973	392,413
Lease liability		362,347	357,032
TOTAL CURRENT LIABILITIES		**2,524,657**	**1,795,696**
NON-CURRENT LIABILITIES			
Lease liability		492,400	641,656
Provisions		72,518	49,270
Deferred tax liability		-	-
TOTAL NON-CURRENT LIABILITIES		**564,918**	**690,926**
TOTAL LIABILITIES		**3,089,575**	**2,486,622**
NET ASSETS		**22,894,147**	**28,292,837**
EQUITY			
Issued Capital	10	69,053,379	69,053,379
Distribution reserve		-	(309,421)
Share based payment reserve		1,599,038	1,458,171
Foreign exchange translation reserve		(4,762)	(51,766)
Accumulated losses		(47,753,508)	(41,857,526)
TOTAL EQUITY		**22,894,147**	**28,292,837**

CONSOLIDATED STATEMENT OF CASH FLOW FOR THE HALF YEAR ENDED 31 DECEMBER 2022

	For the six months ended 31 December 2022 $	For the six months ended 31 December 2021 $
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from product income	204,998	221,085
Payments to suppliers and employees	(4,570,507)	(3,700,413)
Interest paid	(33,668)	(43,286)
Interest received	125,351	12,012
Grant and other income	181,865	26,765
Research and Development Tax Incentive	865,625	-
Net cash used in operating activities	**(3,226,336)**	**(3,483,837)**
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of intangibles	(17,983)	-
Purchase of property, plant, and equipment	(81,358)	(76,752)
Net cash used in investing activities	**(99,341)**	**(76,752)**
CASH FLOWS FROM FINANCING ACTIVITIES		
Payment of lease liabilities	(143,943)	(129,152)
Proceeds from issue of shares	-	18,461,717
Payment of share issue costs	-	(1,212,360)
Net cash from/(used in) financing activities	**(143,943)**	**17,120,205**
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(3,469,620)	13,559,616
Cash and cash equivalents at the beginning of the period	15,394,847	4,998,564
Effects of exchange rate changes on balance of cash held in foreign currencies	63	2,367
Cash and cash equivalents at the end of the period	**11,925,290**	**18,560,547**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the half year ended 31 December 2022

	Issued Capital $	Accumulated Losses $	Distribution Reserve $	Foreign Currency Translation Reserve $	Share Based Payment Reserve $	Total Equity $
Balance at beginning of period	69,053,379	(41,857,526)	(309,421)	(51,766)	1,458,171	28,292,837
Loss for the period	-	(5,586,561)	-	-	-	(5,586,561)
Other comprehensive income	-	-	-	(166,031)	-	(166,031)
Total comprehensive loss for the period	-	(5,586,561)	-	(166,031)	-	(5,752,592)
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 for the period	-	-	-	-	194,440	194,440
Value of options that did not meet vesting conditions	-	-	-	-	(53,573)	(53,573)
Balance at End of Period	**69,053,379**	**(47,753,508)**	**-**	**(4,762)**	**1,599,038**	**22,894,147**

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**

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 2022 was authorised for issue in accordance with a resolution of the Directors on 24 February 2023.

INOVIQ is developing and commercialising next-generation exosome products and precision diagnostics 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 2022 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 2022 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 2022 and considered together with any public announcements made by INOVIQ Limited during the half year ended 31 December 2022 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 2022.

NOTE 4: NEW STANDARDS ADOPTED

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 2022.

NOTE 6: SIGNIFICANT EVENTS AND TRANSACTIONS

Disposal of Subsidiary

As announced to the market on the 28 November 2022, INOVIQ reached a settlement regarding the legal proceedings against it. The settlement included a payment of $1,000,000 to the plaintiffs which was accrued as at 31 December 2022 and subsequently paid in January 2023. The settlement terms also included an agreement to transfer the Intellectual Property associated with the BARD1 Lung Cancer Test which was held within the Group's wholly owned Swiss subsidiary, BARD1AG SA. Accordingly, INOVIQ handed control of this entity to the plaintiffs by transferring the shares in the subsidiary on 19 December 2022 and ceased consolidation at this point in time.

As a result of the deconsolidation of BARD1AG SA a number of income statement impacts arose in addition to the $1m settlement payment noted above, including:

- The transfer of the BARD1AG specific component of the Foreign Currency Translation Reserve to the income statement for the 6 months ending 31 December. This resulted in an additional expense item being booked in the current period for $213,035; and
- A loss on deconsolidation of $124,764 representing the net asset position of the entity immediately prior to control being passed to the plaintiffs. This amount primarily related to the written down value of the Patents.

NOTE 7: SHARE BASED PAYMENTS

	For the six months ended 31 Dec 2022 $	For the six months ended 31 Dec 2021 $
Share based payment transactions recognised as operating expenses in the statement of comprehensive income during the financial periods were as follows:		
Option expense for existing options on issue	194,440	74,400
Reversal of option grant expense (i)	(53,573)	(70,863)
	140,867	**3,537**

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

(i) 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 2022 $	For the six months ended 31 Dec 2021 $
Loss used in calculating basic and diluted earnings per share	(5,586,561)	(2,673,076)
Weighted average number of ordinary shares used in calculating basic loss per share	92,018,702	84,926,098
Basic and diluted loss per share (cents)	(6.07)	(3.15)

NOTE 9: GOODWILL

	31 Dec 2022 $	30 June 2022 $
Goodwill on acquisition of Sienna	13,919,779	13,919,779
Accumulated impairment	(13,919,779)	(13,919,779)
	-	-

NOTE 10: ISSUED CAPITAL

	31 Dec 2022 $	30 June 2022 $
Issued capital	69,053,379	69,053,379
	69,053,379	**69,053,379**

NOTE 10: ISSUED CAPITAL (CONTINUED)

	For the six months ended 31 Dec 2022		For the year ended 30 June 2022	
	Number of Shares	$	Number of Shares	$
At beginning of period	92,018,702	69,053,379	80,056,715	51,832,009
Issue of share – placement and Share Purchase Plan (SPP)*	-	-	11,878,205	18,411,450
Less: Transaction costs	-	-	-	(1,240,346)
Issue of shares to Performance Share Holders	-	-	4	-
Issue of shares on conversion of options	-	-	83,778	50,266
At the end of the period	**92,018,702**	**69,053,379**	**92,018,702**	**69,053,379**

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 (The US operations now consisting of sales-based team members since the R&D and manufacturing operations were transferred back to the Group's Melbourne base during the current period).

NOTE 12: SIGNIFICANT EVENTS AFTER BALANCE DATE

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

- INOVIQ announced on 1 February 2023 that 650,000 options over IIQ shares had been issued to KMP; and
- INOVIQ announced on 8 February 2023 an update regarding positive test results in relation to its SubB2M Breast Cancer test. The SubB2M-enhanced CA15.3 breast cancer test outperformed a leading commercially available CA15.3 tumour marker test based on data from a 94-serum case-control study. The Group now intends to undertake a follow up larger study across all-stages of breast cancer and a monitoring study for breast cancer.

No other matter or circumstance has arisen since 31 December 2022 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 2022:

- 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 NETs 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 NET product revenue milestones;
- 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.

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 Review Report

To the Members of INOVIQ Limited

Report on 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 2022, and the consolidated statement of profit or loss and 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 2022 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 half-year 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 half-year 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 2022 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, 24 February 2023