

INVION TO CO-DEVELOP PHOTOSOFT™ TECHNOLOGY FOR NEW INDICATIONS AND UNDERTAKES CAPITAL RAISING

Highlights:

- Invion enters into a Co-Development Agreement and Exclusive Distribution and Licence Agreement with RMW Cho Group Limited (**RMW**) to co-develop Photosoft™ technology for the treatment of atherosclerosis and infectious diseases (including viral, bacterial, fungal and parasitic).
- Under the Co-Development Agreement and Exclusive Distribution and Licence Agreement, Invion will gain exclusive distribution rights to the Photosoft™ technology in Asia Pacific¹ (**Territory**) for these indications.
- RMW Cho Health Technology Limited to provide funding of approximately A\$4.5M by way of a share placement at an issue price of A\$0.014 per share, which represents a 2.1% discount to the five-day volume weighted average price as at the most recent trading day of Invion shares.
- RMW and its affiliates will continue funding Invion's R&D activities for cancers under the existing services agreement, and this will remain a primary focus for Invion

MELBOURNE (AUSTRALIA) 2 JUNE 2021: Invion Limited (ASX: IVX) (**Invion** or the **Company**) is pleased to announce that it has entered into the following conditional agreements (the **Transaction**):

1. Co-Development Agreement and Exclusive Distribution and Licence Agreement between Invion and RMW, with the following key material terms:
 - Invion and RMW will co-develop the Photosoft™ technology, an improved next generation Photodynamic Therapy (PDT), in relation to atherosclerosis and infectious diseases (including viral, bacterial, fungal and parasitic) (**Indications**) in the Territory.
 - RMW will contribute its existing intellectual property and know-how in relation to the Photosoft™ technology for the Indications and Invion will pay RMW a one-time amount of A\$2.25M as its contribution to development costs of the Photosoft™ technology in relation to the Indications.
 - Invion and RMW will make further contributions towards the co-development of the Photosoft™ technology for the Indications as they relate to the Territory, on the basis that (subject to limited rights to renegotiate contributions in good faith):
 - for development activities that are not directly related to clinical trials or commercialisation of the Photosoft™ technology, including pre-clinical studies, research activities, and all drug formulation and manufacturing (including scale up and GMP compliance) (**Non-Clinical Activities**), for the Indications in the

¹ Asia Pacific includes Asia and Oceania (other than Australia and New Zealand, which are the subject of an existing distribution and licence agreement with RMW), and excludes Middle East, Russia and the specified territories of China, Hong Kong, Macau and Taiwan

- Territory, Invion will be responsible for 25% and RMW will be responsible for 75% of contributions;
- for development activities that are directly related to clinical trials or commercialisation of the Photosoft™ technology, including preparatory work for clinical studies and engagement with regulatory authorities, for the Indications in the Territory, Invion will be responsible for 75% and RMW will be responsible for 25% of contributions (**Clinical Activities**).
 - Invion will gain exclusive distribution rights to the Photosoft™ technology in the Territory for the Indications.
2. Placement Agreement between Invion and RMW Cho Health Technology Limited (**RCHT**). Invion has agreed to issue 321,428,571 ordinary fully paid shares (**Shares**) to RCHT at an issue price of A\$0.014 per Share to raise approximately A\$4.5M before costs (**Placement**).

Funds raised under the Placement will be used to pay the costs of the Transaction, Invion's \$2.25M contribution to RMW, general working capital and to fund co-development of the Photosoft™ technology for the Indications in the Territory.

There are no changes to the funding arrangements between RMW and its affiliates and Invion under the existing Research and Development Services Agreement. RMW and its affiliates will continue to fund the Company's R&D activities relating to potential cancer treatments, including operating costs that relate to these activities. The cancer research programs remain the key area of focus for Invion.

The atherosclerosis and infectious diseases markets

While the development of Photosoft™ for atherosclerosis and infectious diseases is at an early stage of the discovery process, there is existing research demonstrating the application of PDT to these indications, where the need for effective alternative treatments is clearly substantial.

Atherosclerosis is a disease where plaque builds up inside arteries and is a major contributor to the growing incidences of cardiovascular diseases, the largest cause of death worldwide². The global market for atherosclerosis treatments is forecast to hit US\$56.6 billion by 2027 and Asia Pacific is the fastest growing market³.

The global pandemic has also put the spotlight on infectious diseases. The tropical climate and other environmental factors in Asia make controlling such diseases more challenging. The Asia Pacific market for infectious diseases is forecast to grow at a compound annual growth rate (CAGR) of 7.8% till 2027⁴.

Details on RCHT

RCHT is an investment vehicle comprising high-net-worth individuals and sophisticated investors who are new investors to Invion. Post-transaction, Michael Cho, the founder of RMW, will not hold an economic interest in RCHT, but will continue to be a director in the entity for at least one year. Mr Cho (through his controlled entities) is currently a substantial shareholder of Invion and, together with his associates, has a relevant interest in 20.7% of issued Shares⁵.

² https://www.who.int/health-topics/cardiovascular-diseases/#tab=tab_1

³ <https://www.mordorintelligence.com/industry-reports/atherosclerosis-drugs-market>

⁴ <https://www.marketresearchfuture.com/reports/apac-infectious-disease-diagnosis-treatment-market-1322>

⁵ Based on the notice of change of interests of substantial holder dated 18 January 2021.

Invion's Chairman and CEO, Thian Chew, was not involved in the Invion board's approval of the Transaction due to a potential conflict of interest as he is considered to be an associate of RMW and Michael Cho.

"I am very pleased to welcome the new investors to Invion as we expand the opportunities to apply the novel Photosoft™ technology to new indications and markets," said Alistair Bennallack, independent non-executive director of Invion.

Transaction Process

The completion of the Transaction is subject to a number of conditions precedent including:

1. Approval by Invion shareholders of the exclusive distribution rights to the Photosoft™ technology granted to Invion by RMW for the purposes of ASX listing rule 10.1; and
2. Approval by Invion shareholders of the Placement for the purposes of section 611, item 7 of the *Corporations Act 2001* (Cth) and ASX listing rule 10.11.

The Company intends to call an extraordinary general meeting (**EGM**) so shareholders can approve the resolutions set out above in the coming months. The notice of meeting will be accompanied by an independent expert's report for shareholders regarding the Transaction.

Indicative timetable⁶

An indicative timetable for completion of the Transaction is outlined below:

Notice of EGM lodged with ASX and notice is given to shareholders	July – August 2021
Date of EGM	August – September 2021
Completion of the Placement and the Co-Development Agreement and Exclusive Distribution and Licence Agreement comes into effect (subject to shareholder approval of the Transaction)	Shortly following the EGM

Investor and Media enquiries:

Thian Chew (Chairman & CEO)

T: +61 3 8618 6843

E: investor@inviongroup.com

Brendon Lau (Investor & Media Relations)

M: +61 409 341 613

E: brendon@vantagepointpartners.com.au

About Invion

Invion is a life-science company that is leading the global research and development of Photosoft™ technology for the treatment of a range of cancers. Invion holds the Australia and New Zealand license rights to the Photosoft™ technology. Research and clinical trials are

⁶ Dates are indicative only and may be amended at the discretion of Invion's board, subject to compliance with the ASX listing rules.

funded by the technology licensor, RMW Cho Group Limited and its affiliates, via an R&D services agreement with the Company. Invion is listed on the ASX (ASX: IVX). This announcement was approved for release by Thian Chew, Chairman of the Board. For further information please contact Investor@inviongroup.com).

About Photodynamic Therapy (PDT)

Invion is developing Photosoft™ technology as an improved next generation Photodynamic Therapy. PDT uses non-toxic photosensitisers and visible light in combination with oxygen to produce cytotoxic-reactive oxygen that kills malignant cells, shuts down tumours and stimulates the immune system. A potential alternative to surgery, and in contrast to radiotherapy and chemotherapy which are mostly immunosuppressive, PDT causes acute inflammation, expression of heat-shock proteins, and invasion and infiltration of a tumour by leukocytes.